



PHD

Making Sense of Mandatory CSR: An Empirical Investigation

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Making Sense of Mandatory CSR: An Empirical Investigation

Namita Shashikant Shete

A thesis submitted for the degree of Doctor of Philosophy

University of Bath

School of Management

September 2018

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Abstract

The aim of this research is to understand the extent to which mandatory CSR can redress some of the systemic problems associated with voluntary articulations and practice of CSR. Based on the empirical context of the Indian CSR law (Company's Act 2013, Section 135) enforced in 2014 which mandates organisational engagement (and spend) in CSR with suggested areas in which companies can undertake their CSR activities, this research aims at investigating: one, how mandatory CSR as a whole through legal means is made sense of by the implementing actors; two, how such an approach to CSR unfolds in practice; and three, how those who are intended to benefit through these practices are in fact influenced. Using the theoretical lens of sensemaking and using a flexible and adaptable exploratory and inductive qualitative research approach, this research therefore focuses on how meanings, interpretations and understandings have changed (or have been changing) due to mandatory CSR activity resulting from the law. It focuses on understanding how the process of sensemaking has been influencing the evolution of CSR practices within organisations, along with the perceptions of benefits arising from them according to groups within and outside the organisational boundary.

Findings suggest that mandatory CSR, as regulated by the Indian government, has done little to address the problems associated with voluntary CSR approaches, and is in-fact perhaps a less desirable alternative and approach to CSR. This is because it has legitimised and helped consolidate CSR as external welfare. Alongside there is flexibility in the extent of involvement and fuelling or maintenance of power imbalances with generation of unintended beneficiaries. This approach, in and of itself, therefore does not appear to be sufficient to improve CSR practice. It is therefore suggested that there needs to be a fundamental rethinking of how the different sectors (Corporate, NGOs and the Government) work together, and a reconsideration of the processes that are mandated in-order to better channel core-competencies for better CSR outcomes.

List of Abbreviations

CSR: Corporate Social Responsibility

SEBI: Securities and Exchange Board of India

NVGs: National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business

NGO: Non-Profit Organisations

PSR: Personal Social Responsibility

MCA: Ministry of Corporate Affairs

CPSE: Central Public Service Enterprise

CII: Confederation of Indian Industry

Chapter 1 Introduction

1.1. Purpose and Aims

The purpose of this chapter is to introduce the reader to the research titled '*Making Sense of Mandatory CSR: An Empirical Investigation*'. The overall objective of this research is to explore mandated Corporate Social Responsibility (CSR) through legislation and to understand resultant changes in interpretations and understandings, and therefore in CSR practice. It also seeks to understand the outcomes of such changes in practice.

This chapter introduces the readers to the following aspects of this research:

1. It provides an overall introduction to the research context and sets out what the author wishes to study.
2. It introduces the research objective.
3. It introduces the Research Philosophy and Methodology and
4. It draws out the overall structure of this thesis.

1.2. Introduction to the research context and intentions

This research culminated from an interest in understanding how and whether mandating CSR as a whole through legal means could improve the practice of CSR, and whether it could benefit society and the world at large.

The concept of 'CSR' or Corporate Social Responsibility has been a rather dynamic and debated area of management which has been characterised by divergent viewpoints regarding what it entails, and where its boundaries lie (Frynas, 2012). Literature investigating the role played by corporations within society therefore abounds with several different interpretations, definitions and conceptualisations of this concept with no single definition which is agreed upon by everyone.

Interestingly, although the definition of CSR is contested, the concept of CSR does have some common core components which get highlighted through its different definitions. In general, CSR involves firms assuming responsibility for their decisions and actions with consideration to issues beyond their narrow economic, technical and legal requirements and interests (Davis, 1973). Firms, through their CSR activities are expected to aim at benefitting society by accounting for or reducing any harm caused due to their operations. They however have to accomplish this while striking a balance between their social and economic interests (Davis, 1973), therefore remaining financially sustainable and competitive with respect to their business first (Hemphill, 1997).

Interestingly, the '**voluntary**' characterisation of CSR is evident through its many definitions. The Department of Business Innovation and Skills (UK Government), for example, presumes that CSR entails "(T)he *voluntary* actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society" (cited in Crane, Matten and Spence, 2014, pg. 7). While discussing the UK government's outlook on CSR, Freeman and Hasnaoui (2011) mention how "CSR goes *beyond legal obligations*, involving *voluntary*, private sector led engagement, which reflects the priorities and characteristics of each organization, as well as sectoral and local factors." (pg. 429). Such definitions illuminate how along-with other characteristics such as multiple stakeholder orientation, focus on practices and values etc. (Crane, Matten and Spence, 2014), the '**voluntary**' characterisation of CSR is highlighted throughout CSR literature. However, while there are many benefits associated with a voluntary characterisation of CSR such as flexibility, ease of monitoring, administration using available resources, competitive advantage through differentiation etc., there are many serious concerns as well such as lack of enforcement mechanisms, accountability and encouragement of purely strategic behaviour.

Recent developments in the legal systems of countries like India and Mauritius have however been challenging the 'voluntary' view of CSR. In these countries, recent legislation has been created that mandates organisational engagement with CSR. Such developments, as such, raise an interesting question, can CSR still be CSR if it is mandated by law?

1.3. The Research Objective

This research therefore seeks to understand the implications of 'mandatory' CSR legislated by law, and the extent to which such mandatory CSR can redress some of the recurring problems found within articulations and practice of CSR as a voluntary phenomenon.

The objective of this empirical research is to investigate how the creation of a CSR law, and thus mandatory engagement in CSR as a whole, shapes how managers, and intended beneficiaries of CSR activity, think about and practice CSR. Under this larger research agenda, it focuses on the investigation of how meanings, interpretations and understandings of managers, beneficiaries and other stakeholders (eg. NGOs, implementation partners) have changed or have been changing or evolving due to a law requiring mandatory CSR engagement. The idea is to understand how sensemaking activities have influenced existing interpretive schemes.

Secondly, this research aims at understanding how such an approach to CSR unfolds in practice. The final aim of this research is to understand how those who are intended to benefit through these practices are in fact influenced. It therefore focuses on how the process of sensemaking has been influencing the evolution of CSR practices within organisations, along with the perceptions of benefits arising from them according to groups within and outside the organisational boundary.

Government mandated CSR is particularly under-researched as it is only recently that a government has set out to mandate CSR as a whole, using legislative instruments. Using the theory of sensemaking as a theoretical lens,

this research therefore aims at understanding the novel situation of government mandated CSR. It thus aims at contributing to the CSR and sensemaking literatures through the insights developed.

1.4. Introduction to Research Philosophy and Methodology

In order to study this empirical context, an interpretive inductive and exploratory multi-method qualitative research approach has been used since such an approach is informed by a concern for understanding how people understand and make sense of the world and how meanings are attached to organisational life (Burrell and Morgan, 1979). It thus helps in answering the 'how' and 'why' research questions that this research wishes to address pertaining to CSR practice. A multiple-method qualitative design with semi-structured interviews and two case studies has been used for this study. The two cases have helped understand "how" CSR is being practised, made sense of and implemented at an organisation level. The field interviews have supported the case-study data by providing additional inputs and external understandings from a variety of sources and perspectives, thus providing more depth and support to the final findings.

The theory of sensemaking has been used as a theoretical lens and resource for understanding the research context. Being interpretive, this research has sought to understand the phenomenon from the point of view and frame of reference of the participant by delving into "depths of human consciousness" in-order to understand the underlying meanings (Burrell and Morgan, 1979) associated with organisational CSR practice. The sensemaking theory has therefore been particularly appropriate for exploring it.

1.5. Findings Map and Introduction to Contributions

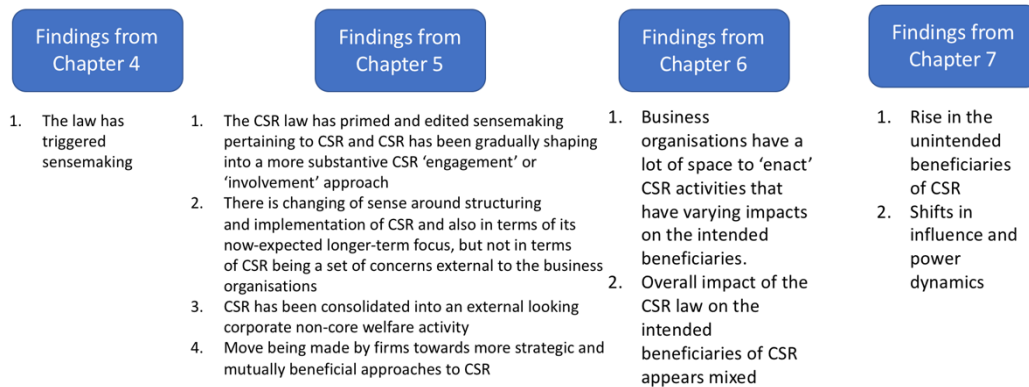


Figure 1-1: Findings Map

Figure 1-1 reflects the main findings of this thesis and their chapter-wise distribution.

To start with, chapter four discusses the CSR law in detail and also the main components of the policy background in which the CSR law was implemented in India. It thus provides a detailed depiction of the macro level factors concerning the law that have influenced sensemaking about mandatory CSR and also discusses how the law triggered sensemaking processes.

Chapter five discusses how sense has been made of CSR after the enforcement of the law and describes the different components of this sensemaking process. It describes how a dominant philanthropic and ad-hoc approach to CSR has been gradually shaped into a more sustained and substantive CSR 'engagement' or 'involvement' approach after the law. It also describes how CSR has been consolidated into an external looking corporate non-core welfare activity and highlights the gradual move being made by firms towards more strategic and mutually beneficial approaches to CSR.

After this, chapter six discusses how although the law has generated restrictions on CSR governance and spend, business organisations still have a lot of space to 'enact' CSR activities that have varying impacts on the intended beneficiaries. This chapter therefore discusses the influence of leadership interests on CSR involvement along-with other factors that

influence variations in CSR approach thus affecting CSR related outcomes and impact. It discusses the overall impact of the CSR law on the intended beneficiaries of CSR.

Chapter seven then highlights the rise in the unintended beneficiaries of CSR such as NGOs, implementation partners, consultants, CSR managers and even employees in the presence of the law and discusses the benefits accrued to them. It also looks at the shifts in influence and power dynamics that have occurred in the presence of the law and discusses the different components of such influence and power dynamics.

There are four main contributions of this research. One, mandatory CSR, as regulated by the Indian government, does little to address the problems associated with voluntary CSR approaches, and may in fact be a less desirable alternative. This is due to four factors: continued ignorance of power structures, poor monitoring structures, a restrictive definition of CSR and a focus on spend, rather than impact.

Two, although the literature suggests that blended approaches to CSR may be better at addressing CSR related concerns than voluntary or mandatory approaches alone, the empirical evidence in this study suggests that a blended approach, such as created by the legal mandate in India is not, in and of itself, sufficient to improve CSR practice. Rather, particular components of CSR practice need to be mandated to ensure much clearer understanding and engagement with those who are intended to benefit.

Three, through the law, the government has sought to synergise partnerships within the different sectors (Chatterjee, 2013a) to bring out the core-competencies of each of the sectors where corporates provide management process expertise, strategic approach and flexibility in investing in social causes; the government provides reach, infrastructure and manpower, and NGOs provide ground level expertise and actual on-ground implementation. Interestingly, the law has indeed generated more participation in CSR from these sectors, however, because they are contributing their expertise rather

than working more collaboratively with it, there is a 'piecing up' of responsibility, rather than all sectors jointly owing CSR issues. This is leaving gaps in the contributions, through which many who are intended to benefit fall out. The current framing of competencies results in the maintenance of social structures as they are, rather than working to redress them and the problems that they create, such as voiceless beneficiaries. Thus, a reframing of sector competencies is needed to better address the issues that need addressing under the CSR umbrella.

Four, Weber and Glynn (2006) suggest that institutions play an active role in sensemaking by triggering, priming and editing sensemaking, and call for more research to examine each of these three mechanisms. Through this research, empirical evidence about the existence of all of these three mechanisms is provided, and it is suggested that the priming and editing processes occur in an iterative cycle. It also suggests that anticipation of impending changes in the institutional context generates anticipatory future oriented sensemaking (eg. Maitlis and Tsoukas, 2015) which starts the priming and editing process in advance in some situations.

1.6. Structure of Thesis

This document is divided into nine chapters. The abstract section at the beginning provided a brief overall understanding of the research followed by the introduction which discussed the CSR definition, introduction to and characteristics of CSR, purpose of this research, its main aims and objectives, the research questions and a brief idea about the findings and contributions. Chapter 2 describes the literature review. It is formed of two parts, the first relates to review of literature on CSR which reviews literature around CSR definitions, characteristics, regulation of CSR, gaps in literature around this theme and potential areas for contribution. The second part refers to the theory of sensemaking, and reviews literature based around its different definitions, aspects and key concepts. It also discusses the reasons for studying regulation of CSR through the theoretical lens of sensemaking. Chapter three

discusses the research philosophy, data collection methods and analysis technique. It also talks about important research issues relating to ethics, reliability and validity. Chapters four, five, six and seven refer to the main findings of this research and are hence called the 'Findings' chapters. The contents of these have been discussed in the earlier section. Chapter eight folds back and brings all of the earlier sections together, linking together all the findings. It discusses the overall findings while connecting them to the literature reviewed and the aims and objectives of the research. It therefore discusses how sense has been made of government mandated CSR and the implications of this to CSR related outcomes and practice. Chapter nine finally concludes this thesis based on the inferences made.

The next chapter describes the literature review conducted for this research.

Chapter 2 Literature Review: CSR and Sensemaking

2.1. Purpose and Aims

Chapter 1 provided an introduction to this research, discussed its contents in brief and provided an introduction to the key findings and contributions. This chapter discusses the key concepts that were reviewed for this research from within the CSR and sensemaking literatures. It mainly focuses on the 'voluntary vs mandatory' CSR literature and the key concepts from the sensemaking theory such as frames, triggers, cues along-with elements of sensemaking and change such as sensegiving, sensereading, sensewrighting etc. that will be relevant for the later discussions.

The first section starts with focusing on how CSR is defined and explores the presumption that an activity can be CSR only if it is voluntary. This presumption is then challenged by looking at both the positive and negative consequences of voluntary CSR and then exploring the much smaller literature on mandated CSR. This section then discusses the interplay of voluntary and mandatory CSR by placing them on a continuum and highlighting the blend that exists in practice. It concludes by pointing out the paucity of information on how government mandated CSR as a whole affects perceptions and practice. It points out the necessity to better understand this form of CSR to empirically ground blended solutions for improvements in CSR practice.

The second section looks at the sensemaking theory and describes its key concepts. It then looks at the literature around sensemaking and change and a few key concepts in this area. Finally, it discusses literature that has been reviewed in relation to situational factors that affect sensemaking processes.

This chapter therefore has four aims:

1. To define CSR and discuss the Voluntary vs Mandatory CSR debate using existing literature.

2. To point out the gap in the literature with regards to understanding government mandated CSR.
3. To discuss how the sensemaking theory could be used to address the research questions.
4. To discuss the sensemaking theory and describe its key concepts that are relevant to this research.

2.2. Defining CSR

The concept of 'CSR' or Corporate Social Responsibility could be considered a rather dynamic and debated area of management which is characterised by divergent viewpoints regarding what it entails and where its boundaries lie (Frynas, 2012). Literature investigating the role played by corporations in society therefore abounds with several different interpretations, definitions and conceptualisations of this concept with no single definition which is agreed upon by everyone. Different stakeholders define CSR in a manner which is consistent with their own context and line of reasoning.

Definitions of CSR are often based on some agenda (Zerk, 2006) and differ, in general, based on their social, national and industry contexts (Frynas, 2012). For example, CSR definitions by non-profit organisations generally stress expectations of socially responsible behaviour from businesses while business level definitions of CSR usually stress on how CSR could be used to promote business benefits. Interestingly, CSR definitions by government organisations are found to focus on both social and economic aspects of this concept (Crane, Matten and Spence, 2014).

CSR is therefore a broad concept which is not homogeneous, allowing people to interpret and adopt it for many different purposes (Blowfield and Frynas, 2005). Interestingly, although the definition of CSR is contested, the concept of CSR does seem to have some common core components which get highlighted through its different definitions. In general, CSR involves firms assuming responsibility for their decisions and actions with consideration to issues beyond their narrow economic, technical and legal requirements and

interests (Davis, 1973). Firms, through their CSR activities are expected to aim at benefitting society by accounting for or reducing any harm caused due to their operations. They however have to accomplish this while striking a balance between their social and economic interests (Davis, 1973), therefore remaining financially sustainable and competitive with respect to their business first (Hemphill, 1997).

2.3. Voluntary Characterisation of CSR

It is however found that CSR is often presumed to be voluntary. For many years and across many different depictions of CSR, this concept has been characterised as being 'beyond legislation' and as being a set of voluntary activities. Through the classic definition in the field of CSR, Davis (1973) observes that CSR has to "begin where the law ends" (pg. 313), since otherwise firms would only be complying with the minimum requirements laid out by the law. This presumption of going beyond legislation is the very essence of CSR and its 'voluntary' character highlighted by most definitions. For instance, scholars like Van Marrewijk (2003) describe how '[i]n general, corporate sustainability and, CSR refer to company activities - *voluntary* by definition - demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders' (pg. 102). Frynas (2012) mentions how "(t)he *voluntary* aspect forms the key distinguishing characteristic between CSR and mandatory regulation in that CSR establishes certain standards and rules of behaviour that are followed by companies *voluntarily*, even though there is no mandatory requirement to do so" (pg. 2) and Bendell and Kearins (2005) define CSR as a "descriptor of actions taken by businesses to improve their relations with society (including environmental as well as social aspects), which are *not directly mandated by law*" (pg. 373).

The presumption of 'voluntariness' is so ubiquitous within the literature that scholars like Vallentin and Murillo (2012) in-fact presume the voluntary character of CSR in their studies. "[K]eeping in mind the voluntary nature of CSR, we are, paradoxically, seeing government operate inside the sphere of

corporate self-determination..” (Vallentin and Murillo, 2012, pg. 827). Similarly, while discussing CSR, Mazurkiewicz (2004) begins his argument by stating how “[a]s CSR activities are basically based on a voluntary approach..” (pg. 3).

While explaining its presumed voluntary nature, Agle (2008) mentions how “[c]orporate social responsibility was meant, originally, to be a complement to government—not a substitute (Frederick, 2006; Wood, 1991)” and that “[c]orporate social responsibility (CSR) was originally framed as a voluntary social control mechanism whereby business organizations would fulfil all their duties in the absence of, or without a need for, over-restrictive government intervention (Frederick, 1994)” (pg. 161). These descriptions of CSR suggest that this concept developed as a flexible and voluntary concept which was outside government control and which culminated through a need for encouraging businesses to engage in socially responsible behaviour. The ‘voluntary’ or ‘discretionary’ nature of CSR is thus a common theme that surfaces through many of its definitions (Banerjee, 2008), and is reflected even today in several of its depictions. The next sub-section discusses its implications.

2.3.1. Implications of ‘voluntary’ CSR

There are many implications of this ‘voluntary’ form of CSR which are highlighted within literature. The table (Table 2-1) below summarizes these implications and this sub-section focuses on the ***‘Positive’ aspects of engaging in Voluntary CSR.***

	Voluntary	Mandatory
Positives	1. Flexible and accommodating 2. Could foster competitive advantage 3. Could prevent legislation	1. Greater accountability through enforcement mechanisms 2. Facilitate better CSR and broader coverage 3. Long-term impact

Negatives	1. Lack of Enforcement Mechanisms and Accountability 2. May encourage purely strategic behaviour 3. May not be effective for achieving societal goals	1. Greater Administrative requirements 3. Could trigger counterproductive effects
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Table 2-1: Voluntary and Mandatory approaches to CSR

Flexible and Accommodating

To start with, voluntary initiatives can be implemented faster than mandatory government regulations and can also exceed expectations of legal compliance if innovative ideas are generated in the process (Frynas, 2012). This can result in mutual benefits to both corporates and society. They are much more flexible and accommodating in the business environment as they may allow activities to be chosen consistent within the context (Thirarungrueang, 2013). Voluntary CSR activities may also be relatively inexpensive to create, monitor and administer internally (Bondy et al., 2007) by allowing engagement of already existing resources.

Could Foster Competitive Advantage

Stakeholders judge firms and their products not only based on what they do, but also on how they do it. Voluntary engagement in CSR could create a potential for competitive advantage due to the differentiation that gets created when some firms engages in CSR activities that are seen as more socially responsible than others (Bondy et al., 2007). Proponents of voluntary CSR therefore suggest that peer-pressure and competition should be enough to make firms engage in CSR and raise the collective bar in terms of expected socially responsible behaviour for the entire industry in general. This may also be supported by the fact that companies which are socially aware, and act responsibly are seen to make better financial gains in the longer run (due to reputation and other gains obtained through their CSR), this being the business case for CSR (Zerk, 2006).

Could Prevent Legislation

Many believe that by getting involved in CSR on a voluntary basis and by appearing to be good corporate citizens, businesses could prevent governments from introducing new laws and regulations, thus creating a situation whereby there is social welfare along-side fulfilment of business self-interests (Davis, 1973). As will be discussed in more detail in the next sub-section, laws and regulations could be inflexible and expensive for firms.

Governments of some countries may be unwilling to regulate aspects of corporate behaviour due to a host of different reasons which may include hindrance to incoming FDI, employment opportunities or tax income. “The “choice” of such countries not to introduce certain rules and regulations often stems from their desperate need to attract foreign investment on the “take it or leave it” terms of capitalist business ventures” (Shamir, 2004, pg. 655). There also may be instances where national laws do exist, but are not implemented in their true spirit. In such situations, voluntary codes of conduct and CSR activities could actually be more effective than state regulation (Zerk, 2006). In case of a strong governance system as well, voluntary approaches may help in extending firm accountability and may also complement government efforts in encouraging businesses to act responsibly (Blowfield and Frynas, 2005).

Voluntary CSR is perhaps favourable especially for businesses considering its flexible and accommodating nature along-with other characteristics. But, is voluntary CSR really effective in curtailing harmful firm behaviours and generating social welfare? There do exist some **drawbacks of voluntary CSR** which get highlighted in literature. These are discussed below.

Lack of Enforcement Mechanisms and Accountability

Voluntary CSR activities may lack accountability mechanisms (Utting, 2008) and monitoring of such activities may not happen. Merely internal monitoring, if it does exist, may generate a ‘fox guards the henhouse’ situation (Goebel, 2006). Firms may choose any activities they want under the ‘CSR’ tag and in

some cases may actually not do much at all. Comparability of CSR reports of different firms concerned with specific activities may also be low since there are no standard set of rules that need to be followed while engaging in and reporting on voluntary activities (Frynas, 2012).

Hence, some believe that the effects of voluntary CSR could be misleading as the results may often be non-verifiable (Mazurkiewicz, 2004) and the reliability of such voluntarily reported CSR data may be questionable.

Due to a lack of enforcement mechanisms for ensuring sustained corporate responsible behaviour, some believe that leaving businesses to decide upon the environmental and social impacts and outcomes of their activities could have detrimental effects on social and environmental welfare. “.. ‘voluntary’ fulfilment of responsibility is in an important sense a contradiction in terms – duties require enforcement mechanisms – and the CSR concept has unfortunately come to be associated in practice with voluntaristic philanthropy and community relations (Wood & Logsdon, 2002; Logsdon & Wood, 2002)” (Agle, 2008, pg. 161).

May Encourage Purely Strategic Behaviour

Firm level CSR activities generally fall somewhere on a continuum starting from being completely instrumental ‘relational’ or ‘insincere’ focusing on economic performance of firms to being a form of ‘social activism’ (Deegan and Shelly, 2014). This means that CSR could be an integrated core organisational strategy in some cases while in some others it may be practiced at a superficial level for green-washing or window dressing reasons (Weaver et al., 1999). Left to the discretion of firms, in some cases, voluntary CSR may encourage a purely strategic form of this concept and therefore sincere engagement in CSR at all times by all firms cannot be guaranteed. Firms may target their welfare activities towards stakeholders that they wish to appease or please for business self-interest. They may only engage in CSR activities that help with maximizing profits. Sustained CSR activities may therefore only be observed within firms which would see CSR as a strategic engagement and

which are culturally and organisationally equipped for its successful implementation (Sethi ,2003; Dando and Swift, 2003 cited in Basu and Palazzo, 2008, pg. 131).

May not be effective for achieving societal goals

Considering the current global economic context, although capitalist businesses and free markets may perhaps be efficient ways of organizing an economy in this age of globalisation, without any government intervention, these may not be the most effective in achieving societal goals such as environmental sustainability, human rights, and justice (Agle, 2008, pg. 161).

Voluntary CSR initiatives may possess a 'democratic deficit' whereby CSR decisions may be made by people who are not directly involved in the welfare activities conducted and they may also be carefully designed to mitigate any concerns regarding effects of those activities on shareholder value, undermining the actual welfare intend (Bendell and Kearins, 2005). Ground level issues may therefore not be effectively addressed. This is also linked with concerns about whether corporations from home countries can adapt to host nation cultural requirements for social welfare (Blowfield and Frynas, 2005).

The concept of CSR may get over-represented in some high exposure industries with image, reputation and legitimacy concerns while being under-represented in some others, and in many cases, adopters may mainly be the industry leaders who are also leaders with respect to CSR issues (Bondy et al., 2007).

For firms, the business case may be important for gaining senior management support for CSR, but what about those issues for which a business case cannot be made? There may be a possibility that some pressing issues may thus get ignored (Blowfield and Frynas, 2005). Also, given that CSR decisions are firm level, and in many cases also strategic, a firm may decide to withdraw its support for certain activities at any given point of time (Moon, 2002), thus undermining the long-term effectiveness of voluntary CSR in terms of social

welfare. Voluntary CSR initiatives may thus become defective in scope and may not generate uniform welfare (Bendell and Kearins, 2005).

In general, therefore, engagement in voluntary initiatives may encourage businesses to act more responsibly and could compensate for some of the shortcomings of public governance (eg. complement for inefficient laws mentioned earlier) in some cases. However, this cannot act as a substitute for the more effective exercise of state authority at both the national and international levels (Vogel, 2010).

The next section will look at the implications of a 'mandatory' approach to CSR which challenges the characterisation of CSR as an inherently 'voluntary' concept discussed earlier. Interestingly, although the literature in this area is less well-developed, positive and negative implications of mandatory CSR are presented within the literature. These will be discussed in the next sub-section.

2.3.2. Mandatory CSR and its implications

Several scholars suggest several ***reasons why CSR should NOT be mandated by*** governments. As is stated by the European Commission communication of 2006, "[b]ecause CSR is fundamentally about voluntary business behaviour, an approach involving additional obligations and administrative requirements for business risks being counter-productive and would be contrary to the principles of better regulation (European Commission, 2006: 2)".

Greater Administrative Requirements

Although the mandatory nature of CSR could be legitimate and therefore be encouraged especially in a developing country context, "in practice, this is problematic, as it not only requires a precise concept of interpretation of CSR and identification of the duty bearer and beneficiaries, but also an effective implementation mechanism.." (Waagstein, 2011, pg. 455).

Government regulation instead of a voluntary CSR approach could be costly for businesses considering that it may require additional compliance costs and

engagement of resources in compliance mechanisms (Bondy et al, 2007). Mandating CSR may demand a greater number of resources and their redistribution also affecting firm profits in ways not initially envisioned or intended to be spent on such activities by the firms (Waagstein, 2010). Planning, monitoring and implementation of CSR activities in-line with the requirements of the law will generate extra costs.

Could have Counterproductive effects

Government mandated CSR could also restrict decision making flexibility for firms (Davis, 1973). Scholars like Shamir (2004) and Khan and Atkinson (1987) therefore highlight the fact that firms and industry related groups are generally not seen in support of regulated CSR since they believe that regulation of CSR could stifle innovation and would also reduce 'competitiveness' (Zerk, 2006).

Some suggest that there are instances from history where formal regulatory approaches have been ineffective especially in developing countries in countering environmental and social issues due to various reasons including lack of technical or institutional capacity, resources etc. (Frynas, 2012). Country specific characteristics such as the type of governance systems, institutional and economic contexts etc. could affect CSR practices in a country, and thus depending on regulatory pressures as drivers for CSR could be problematic in some institutional and governance contexts where external 'regulation' is not the main driver of CSR (Young and Thyl, 2014).

Regulations may have lacunae and could create opportunities for abuse eg. by using them to only serve narrow group interests (Polishchuk, 2009). They could thus lead to opportunistic behaviours and responses (Fukukawa et al., 2007). Information asymmetry due to arms-length or indirect government involvement via firms could also result in inefficient regulatory mechanisms. Also, regulations may fail to keep pace with ever changing socio-economic needs (Polishchuk, 2009). Thus, it cannot be overlooked that laws and regulations may not be able to cover every possible contingency, may allow

minimum compliance and may be considered reactive (Lantos, 2001). Legislation also cannot guarantee that it will effectively influence attitudes of corporates towards being more socially responsible and could result in a minimum basic compliance with the law without any genuine or deep involvement (Deegan and Shelly, 2014). Contributing to this argument, Thirarungrueang (2013) adds that “..compulsory regulation would instil an antagonistic mentality and affect [the business’s] economic performance (Christian Aid, 2004, p.2)” (pg. 175). Imposition of legal mandates could make firms more defensive resulting in a possibility that the firms may halt any of their other social endeavours once they have fulfilled their CSR obligations under the law (Waagstein, 2010).

However, taking another viewpoint, several ***positive aspects of engaging in Mandatory CSR*** could also be highlighted.

Greater Accountability through enforcement mechanisms

Some suggest that although not perfect, governments could perhaps be considered effective vehicles for implementation of the necessary social controls in support of expected firm behaviour (eg. Agle, 2008). According to some, in-order to create a level playing field (Barth et al., 2007), mandating CSR may be important.

“[I]n the absence of state involvement and proper monitoring—CSR initiatives.. tend to lack precision and uniformity across firms and industries, and.. there are few, if any, sanctions for non-compliance” (Blowfield and Frynas, 2005, pg. 506). NGOs and other concerned stakeholder groups are therefore generally seen in favour of greater regulation of CSR through laws as they believe that leaving CSR at the discretion of firms might not be a great idea. For ensuring sustained socially responsible corporate behaviour, different non-governmental organisations like Amnesty International and the World Wildlife Fund (WWF) insist on binding norms (Shamir, 2004). Binding social and environmental regulation may become especially important when CSR issues are immeasurable (eg. bribery), when a business case for CSR cannot be

created, when businesses may have to transform to a great extent to incorporate CSR activities (and when they are inclined to not do so) or when firms lack control over their social/environmental impacts (eg. irresponsible behaviour in their supply chain) (Barth et al., 2007).

As has been mentioned earlier, in the case of voluntary CSR, it cannot be understood with certainty whether firms may actually practice what they communicate and commit to do regarding CSR since there is generally no accountability in terms of monitoring or follow-up mechanisms. “Where mandatory CSR requirements emerge from legislation, the specific mode of enforceability may be provided by that legislative document and may include specific penalties, which transgressors will be subject to, often through access to the courts” (Keith, 2008, pg. 25). Penalties that may be imposed may encourage greater compliance with mandatory requirements and may also help in pushing disinterested firms to engage in more and better CSR (Keith, 2008). Legislation may thus bring in greater accountability, generate enforcement mechanisms and make it possible to verify what firms claim to do, also ensuring reliability of the communicated CSR information (Bondy et al., 2007). Legislation may thus also hold back firms from withdrawing support to CSR activities at their will based merely upon their strategic choices.

Facilitate better CSR and broader coverage

Laws encouraging CSR passed by governments could be “uniquely powerful” considering that they could achieve broader coverage than voluntary initiatives since the laws and policies that governments enact send a strong signal about the importance of a subject (Aguilera et al., 2007, pg. 848). Legislation could “create facilitative frameworks which allow for contextual agenda – setting within CSR” (Okoye, 2012, pg. 375) thus encouraging greater involvement in CSR.

Introduction of legislation could also push firms to engage in new more current social issues (Deegan and Shelly, 2014). Ambitious CSR policies providing clear points of orientation to firms could drive firms to engage in more active

forms of CSR (Barth et al., 2007). Mandatory CSR could “provide legal certainty and clear guidelines” (pg. 1) for designing and implementing CSR (Gayo, 2012). Based on the rules laid out through legislation, comparisons could be made possible regarding firm-level CSR activities. Through sanctions, legislation and mandates may also succeed in curbing insincere and merely strategic engagement in CSR by fostering some actual involvement.

Utting (2005) suggests that there are two fundamental challenges confronting the corporate social responsibility agenda in the current time. One involving the ‘regulation’ question, which is about the fact that CSR is undertaken only by a few companies, and is many times also not effectively implemented, and the other involving the ‘development’ question, which is related to how the CSR agenda addresses development related concerns (Utting, 2005). Legislation could aid in addressing the regulation question pertaining to CSR (Utting, 2005), through helping in its widespread implementation, and mobilizing support of not just the industry and CSR leaders, but of those firms in which the CSR concept is currently under-represented.

Long-term impact

Mainstreaming of CSR could become possible through legislative mechanisms and the seriousness of this concept as a core organisational concern could be developed (Deegan and Shelly, 2014). For long-term impact, reinforcement of CSR efforts through regulatory policies at both the national and even international levels may thus be important (Ward, 1998, 2004a, 2004b cited in Vogel, 2010, pg. 69).

In recent times, many policy-makers also wish businesses to help them in addressing development related challenges, not just through their economic functioning, but also through their help in reducing societal problems such as poverty reduction and deadly disease prevention (Prieto- Carrón et al., 2006). Blowfield and Frynas (2005) suggest that, to some extent, governments, civil

society and also businesses view CSR as a way in which businesses can address development related challenges.

Carefully crafted legislation could help address such challenges by addressing the structural causes of underdevelopment in some contexts, such as inequitable power structures, inequalities and injustices that have negative social and environmental impacts (Utting, 2005) through policies, for example, that address power redistribution. This could aid in generation of long-term impact.

Having discussed the implications of both voluntary and government mandated approaches to CSR however, it may be interestingly to note that in practice CSR is rarely purely voluntary or mandatory. More often than not it is a blend of the two approaches. The next sub-section discusses this point in more detail.

2.3.3. Is there a clear distinction between the two approaches to CSR in practice?

In general, CSR is characterised as a voluntary activity which is additional to the for-profit activities of a firm and is outside of the realm of law. However, internal and external pressures from a variety of groups mean that CSR is rather a blend of the two. More often than not, organisations engage in CSR due to pressures from inside and outside the organisation. This is often in the form of NGO demands, negative media attention, government guidelines, industry requirements, CEO strategy etc.

There is a growing body of work looking at the effectiveness of NGO and other stakeholder challenges on CSR (eg. Winston, 2002; Aguilera et al., 2007; Guay et al., 2004; Campbell, 2007; Arenas et al., 2009). NGOs for example have been one of the key factors that have shifted CSR from being a 'fringe' concern to being a 'mainstream issue' of greater importance (Zerk, 2006). Many NGOs, concerned networks and research organisations have been involved in CSR issues in particular through their official or unofficial (greatly influential in certain cases)

engagement in mobilising public opinion about social concerns, lobbying for government regulation, creation of codes of ethics and conduct, concern raising and inquiry into allegations etc. (Zerk, 2006). In some cases, initially 'voluntary' CSR initiatives or codes of conducts have turned into legally binding obligations, eg. in the Nike case where Nike was found guilty for not adhering to its own codes of conduct and was hence found guilty of unfair competition and false advertising (Gond et al., 2011). Thus, CSR cannot be considered a purely discretionary activity anymore. There has also been growing government level interest in CSR the world over, giving rise to a variety of regulations that regulate different aspects of CSR (Moon, 2004). “..CSR started out as a neo-liberal concept that helped to downscale government regulations, but.. it has in turn matured into a more progressive approach of societal co-regulation in recent years” (Steurer, 2010, pg. 49).

The following discussion in this section considers the blended approach to CSR in more detail.

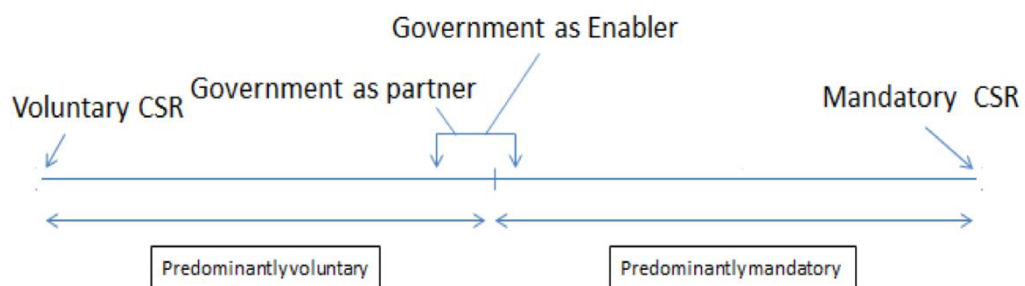


Figure 2-1: CSR Continuum

If we imagine a continuum that stretches from purely voluntary CSR engagement on one side, in which corporations have complete discretion over their CSR activities, to purely mandatory engagement on the other where governments dictate CSR through laws and other formal mechanisms, we can plot the range and variety of CSR engagement. All activity from the midpoint to the far left is more ‘voluntary’ in nature while activity from the midpoint to the far right is more ‘mandatory’ in nature.

As has been mentioned earlier, there has been growing government level interest in CSR the world over in recent times (Moon, 2004). Some suggest that this interest in CSR could be attributed to governance deficits and the general feeling that governments “cannot manage contemporary social and economic challenges alone” (Moon, 2004, pg. 17). By encouraging CSR, combating these challenges can become a combined effort negotiated between government organisations, businesses and non-government organisations, which could be used to substitute and complement government effort and could also legitimise government policies (Moon, 2004). Interestingly, rather than directly regulating on CSR activities, governments in many cases have tended to act as ‘enablers and empowering facilitators’ that promote “a strategic understanding of CSR as a lever for economic competitiveness and growth” which “disregards regulatory measures in favour of liberal and indirect means of steering” (pg. 825) thus retaining power while effectively reducing forceful implementation of policies (Vallentin and Murillo, 2012). In this process, governments have basically started responding to and encouraging CSR by “networking business[es] into wider governance issues as steerers and rowers” (Moon, 2002, pg.407). Using policy instruments, many governments (eg. in the EU) are therefore effectively blurring the lines between voluntary and mandatory by encouraging CSR while simultaneously upholding its voluntary character in some cases in the hope of its more widespread acceptance (Vallentin and Murillo, 2012). Interestingly, the language that is being used to encourage CSR in this way has shifted in order to resonate with the interests of the business community (Vallentin and Murillo, 2012).

Gond et al. (2011) propose a range of corporate-government relationships in terms of CSR which describe the different ways in which governments participate in influencing CSR. In an ‘increasing government involvement’ order, these include (1) CSR as self-government, which is the traditional form of CSR in which firms engage in discretionary activities without government involvement, (2) CSR as facilitated by government which is the same as governments acting as enablers or facilitators for CSR activity as discussed above, (3) CSR as partnership with government where partnerships are

formed which facilitate a mixture of resources and expertise to tackle pressing social problems, (4) CSR as mandated by government where governments mandate certain aspects of CSR and, finally, (5) CSR as a form of government, where firms act as alternative governments and undertake welfare activities through their CSR, eg. setting up schools, other primary institutions etc. and taking up activities normally undertaken by the government (Gond et al., 2011).

In France for example, the NRE law published in 2002 makes it mandatory for all publicly listed French companies to only report on their social and environmental impacts in their annual reports (Delbard, 2008). Many other countries have also adopted mandatory CSR reporting requirements for firms. The EU has adopted a flexible non-regulatory - voluntary CSR stance while at the same time adopting strict environmental regulations. Some members of the EU however, such as the Scandinavian countries, have set up mandatory sustainability *reporting* for their companies (Delbard, 2008). Such approaches encouraging greater CSR fall somewhere around the middle or slightly on the voluntary side of the CSR continuum. This is because such mandatory disclosure laws may require information to be disclosed, but the 'substantive operating standards' (pg. 40) may be left to the individual firms to handle (Zerk, 2006).

Supporting a blended approach to CSR, scholars like Thirarungrueang (2013) insist on a 'balanced' approach for achieving positive outcomes through CSR and to avoid the negative ramifications of corporate irresponsibility. The author mentions that "*.. corporations are expected to accept the additional social responsibilities related to CSR, not only going beyond the minimum requirements of law but also filling in the gaps created by the limitations of the state. Thus, this might suggest that there is a place for a voluntary mechanism to control corporate behaviour where there is an indication that mandatory regulation alone cannot provide the absolute answer*" (pg.175).

Some research explores effects of such approaches on the CSR practice (eg. Dong and Xu, 2016, Armstrong and Green, 2013). However, while it is argued that a blended approach is ideal, the problem arises that not much is currently

known about particular forms of mandatory CSR and their impact on how CSR is perceived and enacted. Government mandated CSR is particularly under-researched as it is only recently that a few governments (eg. India and Mauritius) have set out to mandate CSR as a whole, using legislative instruments. Thus, while we can be quite definitive about the positive and negative consequences of voluntary CSR, we know very little about how government mandated CSR will affect the field and how it is perceived.

The next section introduces the 'CSR mandate' enforced by the Indian government in 2014. This mandate requires Indian firms to practice CSR (and to spend a specific amount of their net profits on CSR activity), thus providing a rich context in which to investigate the impact of government mandated CSR on the field.

2.4. Indian Companies Act, 2013, s.135 ('Corporate Social Responsibility')

A mandatory CSR spend policy (under the Company's Act 2013, see appendix 2) was implemented in the country in 2014, and it has been suggested that India is one of the first few countries in the world to have conducted this experiment with corporate social responsibility (CSR). This legislation mandates companies fitting into certain financial criteria to spend 2% of their average net profits from the earlier three years on socio-economic development related activities which fall under a broad set of themes specified under schedule VII of the Act (see chapter 4 and Appendix 2). It requires companies to set up a CSR committee, allocate a percentage of their net profits towards CSR, internally monitor and ensure compliance and also report on their CSR in their annual reports and on their website. The legislation is however comply-or-explain, with sanctions applied mainly for failing to comply with the governance requirements (eg. committee formation). With respect to the actual 2% spend requirement, sanctions are applied only when 2% of the net profits are not spent on CSR and an explanation is also not provided about it (the law and its components will be discussed in detail in chapter 4).

From the way the law has been worded and framed, it appears as though the Indian government has decided to tackle its social and environmental problems in part through enforcement of this CSR law. It is important to note that there are only a few other such instances where national governments have mandated CSR spend for their corporates. The Government of Mauritius for example has also set up a similar CSR legislation mandating registered companies to pay 2% of their book profits towards CSR programmes (Corporate Social Responsibility Mauritius, 2012).

“[A]lthough government-mandated corporate reporting of ESG issues is not new (between 1995 and 2008, 24 countries have instituted one or more compulsory regulations), Clause 135 would be the first time a government makes holistic CSR a mandatory legal requirement, determined by a financial threshold” (Picard, 2012). As in case of other countries around the world, CSR in India has in the past chiefly been associated with voluntary activities that firms undertake.

In an initial estimation, the Indian Institute of Corporate Affairs had estimated that 6,000 Indian and multi-national companies would fall under the criteria defined under the new regulation and that the CSR spending in the country could rise to over \$3 billion annually (Howell, 2014). This, it was then estimated, would increase the rate of CSR spend three-fold (Howell, 2014). Many large Indian firms such as the Tatas, Mahindras etc. were already practicing CSR long before the law came into picture. However, many comparatively smaller companies were expected to undertake CSR for the first time after the law (Howell, 2014).

2.5. CSR and Sensemaking

In order to understand the effects of such a government mandate and hence government mandated CSR on perceptions and actions, this research investigates how the creation of the Indian CSR law, and thus mandatory engagement in CSR, shapes how managers, and the intended beneficiaries of CSR activity, think about and practice CSR. It focuses on investigating how

and whether meanings, interpretations and understandings of managers, beneficiaries and other stakeholders (NGOs, implementation partners etc.) change or evolve due to introduction of a law requiring mandatory CSR engagement, also affecting how CSR is enacted. It therefore investigates organisational sensemaking processes and their effects.

Before undertaking this research, it was anticipated that the enforcement of the CSR legislation would require a shift in the existing understandings and meanings associated with the more voluntary notions of CSR in the Indian context and thus its governance and practice within organisations. This would result in uncertainty and ambiguity, triggering sensemaking among the CSR related organisational decision makers and other affected stakeholders. Sensemaking was therefore found as an appropriate theoretical lens for looking at the unfolding phenomenon of government mandated CSR.

Sensemaking and underlying mental frames within an organisation lead it to make sense of internal and external demands and situations and view its relationships with stakeholders in certain ways, thus also influencing its engagement with them (Basu and Palazzo, 2008; Brickson, 2007 in Basu and Palazzo, 2008). Basu and Palazzo (2008) therefore suggest that examining such sensemaking processes might then explain how firms react to external pressures like changes in law, why they do so, and why some firms react in certain ways while some do not.

Existing sparse research studying CSR through the sensemaking lens discusses leadership styles and CSR practice (Angus-Leppan et al. 2010.), CSR communication (Ziek, 2009, Schultz and Wehmeier, 2010), organisational processes and strategies for CSR (Van der Heijden, 2010.) etc. However, there is a lack of research studying effects of CSR related regulations on organisational or leadership level sensemaking processes affecting CSR related outcomes.

In the following sections, the theory of sensemaking will be discussed in more depth. The definition and purpose of this theory will be clarified initially followed

by an explanation about how sensemaking occurs. Following this, key concepts relating to 'sensemaking and change' will be discussed. At the end, literature on some key situational factors affecting sensemaking will be explored.

2.6. The Sensemaking Theory

The theory of Sensemaking helps us understand how actors make sense of uncertain or ambiguous events and novel situations and react to triggers and cues in their environment (Weick, 1995).

2.6.1. What is Sensemaking

Sensemaking mainly addresses questions relating to what sensible events are constructed or structured by active agents, why this is done, how this is done and with what effect (Weick, 1995). According to Weick et al. (2005), "Sensemaking is not about truth and getting it right. Instead, it is about continued redrafting of an emerging story so that it becomes more comprehensive, incorporates more of the observed data, and is more resilient in the face of criticism" (pg. 415). It involves placing stimuli into frameworks which enable people "to comprehend, understand, explain, attribute, extrapolate, and predict" (Starbuck & Milliken, 1988, pg. 51 cited in Weick, 1995, pg. 4). It is "the process through which people work to understand issues or events that are novel, ambiguous, confusing, or in some other way violate expectations" (Maitlis and Christianson, 2014, pg. 57). Balogun and Johnson (2004) suggest that "Sensemaking is a conversational and narrative process through which people create and maintain an intersubjective world (Brown, 2000; Gephart, 1993, 1997; Watson and Bargiela-Chiappini, 1998)." (pg. 524). According to Rouleau and Balogun (2011), sensemaking in an organisational change context could "be conceptualized as a social process of meaning construction and reconstruction through which managers understand, interpret, and create sense for themselves and others of their changing organisational context and surroundings (Balogun and Johnson, 2004; Corley

and Gioia, 2004; Gioia and Chittipeddi, 1991; Maitlis, 2005; Maitlis and Sonenshein, 2010; Pye, 1995; Watson and Bargiela-Chiappini, 1998)” (pg. 955).

In order to help understand what the process of sensemaking entails, Maitlis and Christianson (2014, pg. 63) mention several definitions of sensemaking: “Sensemaking is understood as a process that is (1) grounded in identity construction, (2) retrospective, (3) enactive of sensible environments, (4) social, (5) ongoing, (6) focused on and by extracted cues, (7) driven by plausibility rather than accuracy (Weick, 1995, pg. 17)”. It “.. unfolds as a sequence in which people concerned with identity in the social context of other actors engage ongoing circumstances from which they extract cues and make plausible sense retrospectively, while enacting more or less order into those ongoing circumstances (Weick et al., 2005, pg. 409)” (pg. 65) and “Sensemaking refers to processes of meaning construction whereby people interpret events and issues within and outside of their organizations that are somehow surprising, complex, or confusing to them (Cornelissen, 2012, pg. 118)” (pg. 65).

2.6.2. How does sensemaking occur?

Sensemaking involves the processes of scanning, interpretation and action. Scanning involves gathering information, interpretation involves fitting the information gathered into some framework for comprehension and action involves implementation of decisions based on scanning strategies and the subsequent interpretations of this information (Thomas et al., 1993). Some key components that make up the theory of sensemaking are described in this section.

Weick (1995) mentions how things are viewed differently by different people when they are “shocked into attention, whether the shock is one of necessity, opportunity, or threat” (pg. 85). These shocks could be considered *triggers* for sensemaking and the way in which different people react to these triggers depends on the frames of reference (or mental models or schemata) held and the degrees of arousal that they experience from the situation. The levels or

degrees of arousal and emotion depend on the activities that are interrupted, the length of interruption and the importance of the activities. Responses (eg. anger, rage, irritation) are contingent on these levels (Weick, 1995). Weick (1995) suggests that interruptions in ongoing activities trigger sensemaking when expectations are not met (pg. 5). Sandberg and Tsoukas (2014) suggest that these sensemaking triggers can be major or minor, planned or unplanned and in some cases: hybrids of these. **Ambiguity and uncertainty** result from such situations, which form occasions for sensemaking (Weick, 1995). Ambiguity resulting from organisational change initiatives, for example, have led researchers like Balogun & Johnson (2004 & 2005) to study organisational change using the sensemaking perspective. In case of ambiguity, sensemaking gets triggered due to too many possible interpretations of an event leading to confusion, while uncertainty triggers sensemaking because of belief in only certain interpretations of an event with the ignorance of others (Weick, 1995). “When organisational members encounter moments of ambiguity or uncertainty, they seek to clarify what is going on by extracting and interpreting *cues* from their environments, using these as the basis for a plausible account that provides order and “makes sense” of what has occurred, and through which they continue to enact the environment (Brown, 2000; Maitlis, 2005; Weick, 1995; Weick, Sutcliffe, & Obstfeld, 2005)” (Maitlis and Christianson, 2014, pg. 58).

Maitlis and Christianson (2014) mention that not all unexpected events trigger sensemaking; it happens when the gap between expectations and actual experience is wide and important enough for the sensemakers. Sensemaking triggers can include government regulation changes and other such changes that create an environment which is unpredictable (Maitlis and Christianson, 2014). Existing frameworks lose their meaning in such situations and therefore new ones need to be constructed via sensemaking (Maitlis and Christianson, 2014).

2.6.3. Different Approaches to Sensemaking

There are two main approaches or levels to sensemaking discussed in literature. At an **individual level**, sensemaking incorporates a combination of three elements: a frame, a cue, and a connection (Weick, 1995). Frames and cues get connected during sensemaking (Weick, 1995). Thus, during this process of sensemaking, the meaning of a cue is generated with the awareness of the frame and the connection (Weick, 1995). In the individual approach, sensemaking is essentially considered a cognitive process that takes place inside the 'heads' of individual organisational members and therefore the entire process of sensemaking (involving cues, frames and connections) occurs at an individual level.

Thus, at an individual cognitive level, sensemaking is a personal process involving mental frames and schemas that are used by individuals to understand and comprehend their current situation (Balogun and Johnson, 2005). However, considering an organisational context (such as in case of Indian firms faced with the CSR law), some level of shared schemas or frames with commonalities need to exist for an organisation to function smoothly as intended (Balogun and Johnson, 2005). Such commonality leads to systems, assumptions, norms and beliefs creating shared understandings and a level of generic subjectivity (Weick, 1995) in the form of behaviours and routines at an organisational level (Balogun and Johnson, 2005) generating some frames or schemas that are held at an organisational level. This generic subjectivity also in turn affects individual frames of the organisational members.

This **social constructionist** (Maitlis and Christianson, 2014) approach to sensemaking (eg. Balogun, 2006; Balogun and Johnson, 2004 & 2005) therefore considers sensemaking as a process that takes place in the conversations and interactions between people (Maitlis and Christianson, 2014). In the social constructionist approach, sensemaking is conceptualised as something that occurs via observations of symbolic behaviour, spoken language, conversations, written texts, interpretations of actions etc. at a more collective or social level. This process of sensemaking takes place through

formal (eg. meetings, negotiations) and informal (eg. gossip, rumours) written and verbal communications (Balogun and Johnson, 2005). It also happens through observations of behaviours, actions and other signals (Gioia and Chittipeddi, 1991; Gioia et al., 1994). It is essentially a social process which takes place in relational contexts where meaning is co-created through interactions with and observations of others through affirmation and disaffirmation processes between peers and other surrounding people (Balogun et al., 2015; Balogun and Johnson, 2004 & 2005; Rouleau and Balogun, 2011, Maitlis and Christianson, 2014; Sandberg and Tsoukas, 2015, Weick, 1995; Weick et al, 2005). According to Balogun et al., (2015), interactions with peers or closely situated people lead to common understandings while those with distant people help in shared understandings. Individual interpretation and action cycles are influenced by those of others, which also emphasises the 'relational' nature of sensemaking (Rouleau and Balogun, 2009). The theory of sensemaking therefore explores and tries to explain an understanding of the social and conversational practices through which people deal with the world (Balogun et al., 2008).

Sensemakers produce ““accounts”, “narratives” or “stories”” (Maitlis and Christianson, 2014, pg. 95) through such discursive processes which are “co-constructions but need not reflect widespread agreement in the collective” (Maitlis and Christianson, 2014, pg. 95). “(T)his approach thus situates both the process of sensemaking and its outputs in spoken language or written texts” (Maitlis and Christianson, 2014, pg. 95). Organisational ‘interpretive schemes’ (Bartunek, 1984) or frames are created through shared assumptions between groups of people which help in constructing meaning in ambiguous or uncertain situations, providing a basis for action (Balogun et al., 2015). Thus, sensemaking becomes a non-passive, iterative process of shared meaning construction which is highly negotiated and contested and involves different organisational actors (Maitlis and Christianson, 2014).

In normal course of time, the inter-subjectivity in the form of organisational routines helps organisational members function without interruption in their

usual activities. However, when an unusual event occurs, their sensemaking mode is triggered as expectations are violated and this inter-subjectivity breaks down (Balogun and Johnson, 2005). Thus, when an incomprehensible event (that does not fit in the existing schemata/frames of the individuals) triggers attention, sensemaking is triggered and people engage in formal and informal interactions, experience sharing, gossips, observations, negotiations, stories, rumours etc. Through these they try to make sense of the triggering event and their subsequent actions are based on the sense that is made as an outcome (Balogun, 2006). These actions further create triggers for sensemaking and this process continues until a new way of dealing with the situation develops (Balogun, 2006) and normalises.

2.6.4. Sensemaking and Change

Since this research investigates a ‘change’ situation where there has been a change in the CSR context with the introduction of a law mandating CSR activity, it was considered appropriate to study key concepts in the sensemaking literature relating to sensemaking and change. Such key concepts including sensegiving, sensewrighting, sensereading will be discussed in the following section.

Citing earlier research on sensemaking in the context of organisational change (eg. Balogun, 2003 and 2006; Balogun and Johnson, 2004 and 2005), Maitlis and Christianson (2014) suggest that strategic change initiatives generate changes in organizational structure, member roles and their responsibilities creating “contradictions and paradoxes” (pg. 77) for the organisational members. This triggers sensemaking about how they could go about with their jobs (Maitlis and Christianson, 2014). As has been discussed earlier, cues resulting from an ambiguous or uncertain event trigger sensemaking. Interruptions caused due to such incidences disturb or interrupt routines and behaviours resulting in uncertainties about how to act (Maitlis and Christianson, 2014).

Interestingly, sensemaking can be triggered by unexpected as well as events that are expected, anticipated and planned by at least some people affected by them. This is because even planned events have been shown to bring about unexpected ambiguities and uncertainties that may violate expectations (eg. Balogun and Johnson, 2005). Change initiatives could cause threats to individual or collective identities (if they are not strong enough to withstand the change) creating strong negative emotions arousing sensemaking (Maitlis and Christianson, 2014). Alterations in earlier understandings, beliefs, ways of thinking at an individual level and processes, structures and practice at an organisational level are expected during an organisational change. Sensemaking could be triggered among the affected organisational members in such situations due to certain violated assumptions to which they need to react (Maitlis and Christianson, 2014). The “degree of disruption” (pg. 552) that is generated by a change therefore generates “powerful occasions for sensemaking” (Maitlis and Sonenshein, 2010, pg. 552).

Also, for a change effort to succeed, it should involve a shift in shared beliefs and assumptions at an organisational level about taken-for-granted activities and events in an organisation. Sonenshein (2010) mentions how “past research suggests that (strategic) change requires a fundamental shift in meanings” (pg. 477). A shift in these requires a shift in individual level schemata (Balogun, 2006). According to earlier research on sensemaking and change, when a change occurs, shifts occur in the individual level schemata of organisational members because of the change which then leads to changes in organisational level interpretive schemes (Balogun and Johnson, 2005; Rerup and Feldman, 2011). Sensemaking plays a central role in these cognitive reorientations (Gioia and Chittipeddi, 1991; Balogun and Johnson, 2004; Maitlis and Christianson, 2014).

2.6.5. Sensemaking and change: key concepts

2.6.5.1. Sensegiving

Sensegiving is an act of ‘influencing’ the sensemaking of others. It is a political process which essentially involves a “process of attempting to influence the sensemaking and meaning construction of others towards a preferred redefinition of social reality” (Gioia and Chittipeddi, 1991, pg. 442) consequently affecting their decision making (Maitlis and Lawrence, 2007). The difference between sensemaking and sensegiving according to Balogun et al. (2008), is that the sensegiving concept introduces ‘agency’, and thus a political dimension in the process (pg. 236). Interestingly however, as will be discussed later in this section, sensegiving can also be unintentional.

While describing work by scholars in the context of sensemaking and narratives, Sonenshein (2010) mentions how both sensemaking and sensegiving are closely related to narratives. The author suggests that narratives are used to shape the authors own understandings, that narratives capture the outcomes of collective sensemaking and that narratives can also be used to influence others (which essentially is sensegiving) (Sonenshein, 2010). Maitlis and Lawrence (2007) mention that “(T)hrough evocative language and the construction of narrative, symbols, and other sensegiving devices, leaders help shape the sensemaking processes of organizational members toward some intended definition of reality” (pg. 58). Stakeholders on the other hand also engage in this process by means such as issue selling, questioning etc. (Maitlis and Lawrence, 2007). Interestingly however, much of the literature reviewed around this concept seems to focus mainly around sense that is given by organisational leaders to other organisational members. This observation has also been highlighted by Maitlis and Chritianson (2014, pg. 67). Examples of this include a study by Walsh and Glynn (2008) who talk about how leaders play an important role of creating and sustaining organisational legacy and do so by sensegiving and sensebreaking and Gioia and Chittipeddi (1991), who discuss how leaders engage in sensegiving to facilitate sensemaking during the early stages of a strategic change initiative.

Sandberg and Tsoukas (2014) mention however that, even though the idea of 'sensegiving' helps in providing a 'prospective' angle to the otherwise 'retrospective' nature of the sensemaking perspective (by explaining how some people make sense of a situation and then give this sense to others in order to aid in their sensemaking), this concept still has some problems. They argue that the concepts of sensemaking and sensegiving are essentially interlinked and hence cannot be separated. Thus, according to the authors, a 'sensegiver' is also a 'sensemaker'. This is because a sensegiver has probably made sense earlier through someone else's sensegiving. Also, the sense receivers also give sense back to their sensegivers through their reactions (Sandberg and Tsoukas, 2014).

Discussing senior manager sensemaking in a change context, Balogun et al. (2015) mention how a single sensegiving process cannot be expected to have the same effect on different people, mainly due to the different interpretive and relational contexts that they come from. These people, therefore, create their own versions of the expected change. Balogun et al. (2008) suggest that sensemaking depends on the recipient context and their existing understandings and interpretations at that particular point. According to the argument made by the authors, managing meaning through 'sensegiving' implies recipient passivity in the sense that the actors engaging in sensegiving can almost 'place' the desired sense on sense recipients. However, sense given and received can only be loosely coupled and depends on the context in which this is done (Balogun et al., 2008). Another point that they make is that sometimes unintended sensegiving can result from situations in which recipients hold differing mindsets. Also, there may be situations in which sense is not intended to be given at all, but sensegiving occurs anyway depending on situational characteristics that result in unintentional cues that aid recipient sensemaking. Hence, they highlight the importance of interpretation and influencing processes on sensemaking and discuss two other related concepts, namely ***sensereading and sensewrighting*** (Balogun et al., 2008). They suggest 'reading' of the circumstances in which the recipients are embedded and 'wrighting' or shaping of meanings accordingly. Sensemaking

is thus described “more specifically as a dual, cyclical and ongoing process of sense reading and sense wrighting to better portray the aspect of skilled practice concealed within sensemaking and sensegiving (Mangham and Pye, 1991)” (Rouleau and Balogun, 2011, pg. 955). Balogun et al. (2008) suggest that to be good at sensewrighting, a person has to be skilled at sensereading first and that since sense cannot be placed on anybody, skilled actors try to limit the number of responses available to the sense recipients by using sensereading and sensewrighting. Here again how an argument is **‘framed’** (discursively or through interactions) becomes important. For this, power resources and quality of relationships could be useful to help them align interpretations (Balogun et al., 2008). The authors suggest the importance of ‘symbolic’ power to subtly influence meaning in this context. Thus, people adept at sensereading and sensewrighting might generate greater influence, even when they might not be at positions of greater power.

2.6.5.2. **Frames and Framing**

Frames enable or prevent people from seeing a problem from a particular viewpoint (Maitlis and Christianson, 2014). Frames are therefore structures “within which cues are noticed, extracted and made sensible” (Weick, 1995, pg. 109). ‘Interpretive schemes’ as they are called by Bartunek (1984) operate as shared, implicit and fundamental assumptions about why events happen the way they do and how people need to act during such situations (Bartunek, 1984). According to Cornelissen and Werner (2014), **discursive framing and cognitive frames** are different concepts. However, they are “interconnected in the construction of meaning in context” (pg. 183).

Taking the discursive or interactional framing approach Fairhurst and Sarr (1996, pg. 3 cited in Balogun et al., 2008, pg. 237) suggest that, “framing is the ability to shape the meaning of a subject, to judge its character and significance. To hold the frame of a subject is to choose one particular meaning (or set of meanings) over another. When we share our frames with others (the process of framing), we manage meaning because we assert that our interpretations should be taken as real over other possible interpretations”.

As mentioned by Cornelissen and Werner (2014), literature on frames and framing reveals different levels of analysis of these constructs at the micro or individual cognitive level, meso or firm/organisational level and macro or institutional level. At the micro or individual level, frame activation is considered a “top-down” process in which individuals hold simplified representations of their environment through which they make perceptions of the happenings around them (Cornelissen and Werner, 2014). A frame (or schemata or script) “abstracted from prior experience is activated to guide the perception of cues and stimuli in real time” (Cornelissen and Werner, 2014, pg. 187). Framing or (reframing) at the cognitive or individual level occurs when individual frames no longer seem to fit, and the individuals engage in changes in their frames held by blending or shifting them or constructing new frames altogether (Cornelissen and Werner, 2014). In other words, when frames can no longer provide explanations, there is a “surprise” caused triggering active sensemaking and as a result new frames may be developed.

While at the micro level there is a focus on the activation of a given cognitive frame, at the meso- and macro-levels, framing is seen as a broader concept and is conceptualised as the “active social construction and negotiation of frame-based meanings” (Cornelissen and Werner, 2014, pg. 196). Framing at the meso and macro levels of analysis is considered a “bottom-up” process of meaning construction in which symbolism, interactions and use of language create meaning. “In these... language and cognition are often seen as recursive: language, and thus acts of framing, makes active use of the implied broader cognitive frames; and new frames in context are typically established through creative extensions and combinations in language” (Cornelissen and Werner, 2014, pg. 196).

At a macro or institutional level, new framings are first of all constructed and negotiated during “interactions between actors in an institutional field” (Lounsbury et al., 2003 cited in Cornelissen and Werner, 2014, pg. 211). With further interactions and negotiations, the new frame propagates, extends and becomes institutionalised.

Apart from the elements of the sensemaking theory discussed above and literature relating to sensemaking and change, literature on situational factors affecting sensemaking was also reviewed for this research, and it will be discussed in the next section.

2.6.6. Situational Factors affecting Sensemaking

Sandberg and Tsoukas (2015) suggest many situational factors including context, power and politics, and emotions among others that influence sensemaking. Such situational factors, according to Sandberg and Tsoukas (2015), not only influence sensemaking, but also sometimes act as tools to influence sensemaking efforts within organisations.

2.6.6.1. Emotions and Sensemaking

It became evident during this research that reviewing literature on how emotions affect sensemaking processes would be important. This was because the data that was collected indicated that the mandated CSR context generated some strong emotions and reactions that seemed to affect sensemaking. The literature that was thus reviewed is discussed below.

Weick et al. (2005) mention how “[i]f emotion is restricted to events that are accompanied by autonomic nervous system arousal (Berscheid and Ammazalorso 2003, p. 312; Schachter and Singer 1962), if the detection of discrepancy provides the occasion for arousal (Mandler 1997), and if arousal combines with a positive or negative valenced cognitive evaluation of a situation (e.g., a threat to well-being or an opportunity to enhance well-being), then sensemaking in organizations will often occur amidst intense emotional experience.” (pg. 418).

According to Maitlis and Christianson (2014) emotion has been often seen as an impediment to sensemaking. However, in recent years there has been a growing interest in decoding the link between sensemaking and emotion, at both individual and collective levels (Maitlis and Christianson, 2014) For example, Rafaeli et al. (2009) suggest three complementary dynamics that

connect emotions with sensemaking. They suggest that emotion (and in particular arousal) can act as a cause of sensemaking, emotion could act as an information source that influences sensemaking and emotional reactions to certain interpretations of a situation could trigger future sensemaking. Maitlis, Vogus and Lawrence (2013) suggest that by indicating the need for sensemaking and by invigorating and energizing the sensemaking process, emotions play a vital role in whether an individual engages in sensemaking in the first place.

Quoting Schwartz and Clore (1983), Rafaeli et al. (2009) suggest that emotions provide clues about how a situation should be judged and that people's interpretation of their environment is based to some extent on their own emotional states. Emotions therefore influence not only interpretations based on the valence of the emotion that a situation evokes (positive or negative), but also the information processing tactics (Chartrand, van Baaren and Bargh, 2006 in Rafaeli et al., 2009) and the decisions that are made (Forgas, 1998 in Rafaeli et al., 2009). Emotions causing high levels of arousal such as anger or excitement could create a trigger for sensemaking, or personally felt emotions could serve as cues about a situation (Rafaeli et al., 2009). According to Kataria et al, 2017, emotions can also trigger a need to sensegive (Kataria et al, 2017, pg. 464).

With respect to effects of emotions at the organisation level, Maitlis and Sonenshein (2010) suggest that emotions may feature during strategic changes initiated by top management, which might generate strong ethical, social, or emotional connotations for employees (Sonenshein, 2009 cited in Maitlis and Sonenshein, 2010). Such emotions could therefore lead to divergent pockets of shared meanings and therefore divergent actions. Maitlis and Sonenshein (2010, p. 567) note that in some cases of planned change however, more positive emotions are generated facilitating actors' efforts to make sense of the change initiative (Maitlis & Sonenshein, 2010, p. 567). Quoting past research, Liu and Maitlis (2014) discuss how displays of emotion can cause powerful effects on group dynamics and decision making, and

further discuss the influence of a powerful individual's emotional displays on team members. "Positive emotions can catalyse sensemaking even in an otherwise passive audience to turn them into individuals now actively looking for meaning" (Kataria et al, 2017, pg. 469,470).

While discussing emotions in team dynamics, Rafaeli et al. (2009) suggest that emotion is "contagious" (Barsade, 2002; Hatfield, Cacioppo & Rapson, 1994 in Rafaeli et al., 2009) and the information conveyed through such emotion is also affected by emotions conveyed by and observed of other members of the team. Such emotions of others may therefore not only convey information, but also trigger sensemaking.

Felt emotions thus shape the meanings of organisational change, and organisational members reframe issues or aspects of the change scenario resulting in "new interpretations of the environment and the organization's response to it". (Maitlis and Sonenshein, 2010, pg. 567)

2.6.6.2. Sensemaking and Context

In-order to understand how larger institutional contexts affect organisational sensemaking processes, literature linking sensemaking with the institutional context was also reviewed. This is discussed in the following section.

Sensemaking always occurs within specific contexts, and the immediate action and social contexts heavily influence the processes of sensemaking (Sandberg and Tsoukas, 2014). Such contexts affect how cues are bracketed, noticed, extracted and interpreted (Weick, 1995, p. 43–49 cited in Sandberg and Tsoukas, 2014). The immediate social context "binds people to actions that they must justify, it affects the saliency of information, and it provides the norms and expectations that constrain explanations" (Weick, 1995, p. 53 cited in Sandberg and Tsoukas, 2014).

Sandberg and Tsoukas (2014) review that not only the immediate social and action contexts, but also the broader institutional contexts (such as historical, cultural etc.) influence sensemaking processes and the outcomes of such

sensemaking. However, they suggest that, very little research has empirically investigated how this influence actually occurs (eg. Weber and Glynn, 2006, Nigam & Ocasio, 2010; Riley, 2000).

While discussing how the sensemaking theory overlooks the role of larger social, historical or institutional contexts in explaining cognition, Weber and Glynn (2006, pg. 1639) suggest that the larger institutional context is actually a necessary part of sensemaking, since it provides the substance for sensemaking. Firm behaviour is shaped by broad forces that are enforced by powerful actors such as governments (Weber and Glynn, 2006). The authors suggest that the role of institutions as taken for granted internalized cognitive constraints on sensemaking has been largely discussed in literature. However institutional contexts play an even larger role in sensemaking. They suggest three mechanisms; priming, editing and triggering; that bring the cultural-cognitive institutional context into the processes of sensemaking. This, they suggest, is because sensemaking does not occur inside a blank space and institutions are both antecedent to, and emergent from, sensemaking processes (Weber and Glynn, 2006, pg. 1640).

According to Weber and Glynn (2006), institutions prime sensemaking by providing social cues, and generate a limited set of 'typifications' that can be used to start constructing a course of action (pg. 1649), for example, the identity of a student may lead to the frame of evaluation and expected action of attending classes or reading course work. Rafaeli et al. (1997) in their research about professional attire discuss how visual primes induce certain identities, frames and behaviours among the employees and also frame the experiences of their employment. Institutions prime entities to start with a specific course of action, to pick up certain cues, to focus on certain problems, and they also generate a 'winnowing' effect generated through existing structural understandings of combinations of situations and actions (pg. 1649). Institutions edit sensemaking by providing a set of expectations and generating feedback mechanisms through others when such expectations are not met generating surprise, and arousal generating sensemaking. The 'others' hold

expectations with regards to actions of the performer, based on their assessment of institutional expectations, and accordingly judge them by rewarding or punishing the performer (Collins 1981 cited in Weber and Glynn, 2006). Through the 'edit' process, institutions therefore retrospectively edit actions and meanings in accordance with the institutionalised expectations (Weber and Glynn, 2006). Lastly, institutions trigger sensemaking by providing strong occasions for sensemaking (Weick 1995: chapter 4). They sometimes produce gaps and ambiguities that trigger sensemaking (Sewell, 1992) generated through contradictory institutionalized expectations (Weber and Glynn, 2006).

2.6.6.3. Sensemaking, power and Influence

Considering the large number of internal and external organisational actors involved in and affected by the mandated CSR scenario, it was anticipated and later also found that influence, power and politics are key dynamics that needed consideration for this research. The literature linking sensemaking with influence, power and politics was therefore also reviewed for this research and is discussed below.

The interplay of the dynamics of power and politics have been discussed to some extent earlier in relation with sensegiving. Hardy (1996) defines power as "a force that affects outcomes, while politics is power in action" (pg. S3). Literature on sensemaking processes reveals the extent to which they are not only affected by power relations, but also in-turn affect those power-relations such that they are continuously re-negotiated and redrafted in social settings (Brown, Colville and Pye , 2014).

Balogun et al. (2008) point out that the definition of framing highlights the political aspect of framing and meaning construction for sensemaking and how different actors, not just leaders could contribute and shape meanings. The political act of 'sensegiving' thus involves acts of framing by those trying to influence others. On similar lines, Maitlis (2005) discusses how both leaders and stakeholders can engage in sensegiving in different ways leading to

different sets of outcomes of the process. “Indeed, individuals and groups with little formal power can exercise significant influence through the narratives they share” (pg. 98) when the formal authority is actually only one (Maitlis and Christianson, 2014). According to Kaplan (2008), “Uncertainty opens up the possibility for new actors to gain power, and contesting frames is a way of changing the power structures in the organisation” (pg. 729).

Rouleau and Balogun (2009) discuss the term ‘discursive competence’ while discussing the ability of middle managers to “knowledgeably craft and share a message that is meaningful, engaging, and compelling” using “discursive performances” (pg. 971) within the operational context. Discursive competence therefore is the ability of these managers to influence the outcomes of a situation using situational knowledge and the use of appropriate language and actions (Rouleau and Balogun, 2009). As mentioned earlier, sense reading and sensewrighting can be used by talented individuals as influencing tools. Influence skills could help equip the possessor of political skills instrumental in shaping meanings of situations in the preferred direction (Maitlis and Sonenshein, 2010).

Citing earlier work by authors like Brown (2000) and Gephart (1984, 1993), Maitlis and Christianson (2014) mention how their work “vividly convey the tussles and tensions of organizational sensemaking, as different parties campaign and compete to shape meanings of and in the organization, gain acceptance for a preferred account, or subvert the status quo” (pg. 98) thus highlighting the role of politics in organisational sensemaking processes. Maitlis and Sonenshein (2010) rightly point out how managers (and scholars who study them) often privilege the accounts and sensemaking of top management personnel overlooking those of employees at lower levels. Such “examples add texture to Weick’s (1995) intimation of the key role of power and politics in sensemaking, where he recognizes the structural constraints on action and cognition (Magala, 1997)” (Maitlis and Sonenshein, 2010, pg. 571). Thus, even though power differentials play a key role in affecting sensemaking processes, power could also be enacted if those with lesser formal power

construct meaning in a way that resonates with others and becomes dominant (Maitlis and Sonenshein, 2010). Having formal power thus does not automatically provide individuals with a dominant position in meaning construction (Maitlis and Sonenshein, 2010). 'Change' then 'evolves' "as a function of not only which interpretations become consensually shared and politically legitimated, but also which ones quickly evaporate" (Maitlis and Sonenshein, 2010, pg. 571). Maitlis and Sonenshein (2010) suggest that politics also decide whether and who is granted the opportunity to make sense of situations. This is since a lack of power along-with influence skills can prevent lower level employees from shaping the sensemaking of those at the top (pg. 572).

2.7. Sources of Individual Power

This section discusses some more literature that was reviewed on sources of individual power, which however sits outside the literature linking sensemaking and power.

Power, according to Salancik and Pfeffer (1989), is the ability to bring about the outcomes as desired by those who possess it, and different sources of power have been discussed and described within literature (eg. Yukl and Falbe, 1991, French and Raven, 1959). Information power pertains to possession, access to or control of information that others need or desire while personal power revolves around possession of skills such as persuasiveness and charisma. Such sources of power equip the possessor with influence techniques (Yukl and Falbe, 1991). Position power on the other hand is related to the position of an individual within an organisation.

French and Raven (1959) discuss five bases of power. Of these, the first base of power is reward power, which is based on perceptions of an entity's ability to reward someone else. The second form of power that they discuss is coercive power, which relates to the expectation that failing to conform to an influence attempt will be punished. Such coercive power, they suggest,

however might lead to a dependent change, while reward power may eventually result in an independent system.

According to French and Raven (1959), the next form of power, legitimate power, stems from the understanding that an entity has a legitimate right to influence others about a matter, and others may therefore have an obligation to accept this influence. "The areas in which legitimate power may be exercised are generally specified along with the designation of that power" (pg. 265), eg, the designation of a teacher might entail them with legitimate power which allows them to teach and advice students when necessary without question. Possession of such a legitimate power makes it easier for the possessor to acquire required resources such as information, cooperation, and assistance, that are necessary for conducting their work (French and Raven, 1959). Referent power relates to the power possessed by an influencer (referent) that generates positive identification with the influencer. It is established and maintained through behaviours, beliefs and perceptions of the followers that are closely aligned with the influencer (French and Raven, 1959). The last form, expert power, is the power possessed by someone who is considered an expert in a field of interest. Such an expert is believed to be in possession of superior knowledge or capability in some specific areas, and the expert's power is limited to these areas. The strength of such expert power varies with the credibility of the expert and the extent of knowledge or perception of expertise which people attribute to such a person within a given field (French and Raven, 1959).

While discussing manifestation of power within organisations, Salancik and Pfeffer (1989) suggest that departments which are the most capable of coping with their organisation's pressing problems and uncertainties, acquire power. Thus, the basis for power is derived from the capability of undertaking (or not undertaking) actions that are desired by others within the organisation. However, since such power is derived from activities rather than from the individuals themselves, the individual's or department's power is never absolute and is based finally on the situational context.

Salancik and Pfeffer (1989) further suggest that power generally organises itself around scarce and critical resources, and around those who can contribute towards these critical resources, thus reducing uncertainty. Possession of such power empowers these people to gain in influence.

2.8. Conclusion

This chapter therefore discussed the key concepts that were reviewed for this research from within the CSR and Sensemaking literatures. It mainly focused on the 'voluntary vs mandatory' CSR literature and the key concepts from the sensemaking theory such as frames, triggers, cues along-with elements of sensemaking and change such as sensegiving, sensereading, sensewrighting etc. that will be relevant for the later discussions.

This chapter therefore:

1. Defined CSR and discussed the voluntary vs mandatory CSR debate using existing literature.
2. Pointed out the gap in the literature with regards to understanding government mandated CSR.
3. Discussed how the sensemaking theory could be used to address the research questions.
4. Discussed the sensemaking theory and described its key concepts that are relevant to this research.

The next chapter discusses the methodology used to conduct this research. It describes the research philosophy, research design and methods that have been used for collecting and analysing the research data.

Chapter 3 Research Philosophy, Methodology and Analysis

3.1. Purpose and Aims

The previous chapter illustrated how there is a need for empirical research to understand the novel and under-researched government mandated CSR context, as in case of the Indian CSR law. After considering the voluntary characterisation of CSR, it demonstrated why voluntary CSR initiatives are often viewed with suspicion and the possibility for mandatory CSR initiatives to improve CSR practice. The chapter also demonstrated the need for much additional clarity on what mandatory CSR might look like and whether, in practice, it is capable of improving on the weaknesses associated with voluntary approaches to CSR. It also looked at how the sensemaking perspective will be useful to understand how a mandatory approach to CSR is made sense of and implemented in practice.

This chapter discusses the research philosophy, the methodology used to conduct it, and the analysis techniques used. It starts with discussing the philosophical approach underpinning this research. Entering the social world of the people being studied and understanding their world from their viewpoint has been crucial for this study (Saunders, Lewis and Thornhill, 2007). Its philosophical underpinnings therefore lie in the interpretivist paradigm discussed by Burrell and Morgan (1979). Considering that the study aims at uncovering a novel and under-studied phenomenon, a flexible and adaptable exploratory and bottom-up inductive research approach has been used for gathering the data.

The chapter starts with discussing the research approach, and then reiterates the research objectives and questions on which this study is based. It then goes on to discuss the methodology used. A multiple-method qualitative design with semi-structured interviews and two case studies has been used for this study.

In the final section, the chapter discusses steps undertaken in order to analyse the findings.

This chapter therefore aims to:

1. Discuss the philosophical underpinnings of this research,
2. Reiterate the research objective,
3. Discuss the methodology used (multiple-method qualitative design with semi-structured interviews and two case studies),
4. Describe validity and reliability considerations,
5. Demonstrate ethical considerations that were made and
6. Illustrate how the data was analysed using an example.

3.2. Research Philosophy and Background

The research philosophy that is adopted for any research outlines some important assumptions about how the researcher views the world. Such assumptions underpin the research strategy and the methods that are chosen for the research and the framing of research questions. The corresponding results and insights obtained are also affected by the philosophical underpinnings of the study (Saunders, Lewis and Thornhill, 2007).

The philosophical underpinnings of this research lie in the interpretivist paradigm discussed by Burrell and Morgan (1979). The interpretive paradigm is informed by a concern for understanding how we as humans understand and make sense of the world around us and how meanings attached to organisational life are explored and explained. The researcher operating in this paradigm tries to uncover how other social beings make sense of their world in a specific context under investigation (O'Donoghue, 2007).

Within this subjective reality, the interpretive paradigm is concerned with viewing and understanding the world as-it-is in order to “understand the fundamental nature of the social world at the level of subjective experience” (Burrell and Morgan, 1979, pg. 28). It seeks to understand a phenomenon from the point of view and frame of reference of the participant by delving into

“depths of human consciousness” in-order to understand the underlying meanings (Burrell and Morgan, 1979) (also making it particularly appropriate for research using the sensemaking perspective).

Interpretivists attempt to understand meanings through interpretive procedures, they focus on the context, use qualitative data, engage in qualitative analysis and draw emerging inferences (Spiggle, 1994, pg. 491). The task of the researcher operating in this paradigm is to understand how different people individually and collectively think and feel, thus constructing different meanings of their experiences (Easterby-Smith, Thorpe and Lowe, 2002).

Through studying the on-going surface phenomenon, interpretivist researchers try to unravel the underlying patterns of social life, not necessarily apprehended by the creators or participants of that phenomenon (Spiggle, 1994). These researchers are interested in uncovering, understanding, interpreting and analysing the meanings and experiences of their informants, and they do so by constructing thick descriptions gleaned from understanding the informants' points of views (Spiggle, 1994). According to Spiggle (1994), during this process “The researcher, responding as a whole person, serves as an instrument in observation, selection, coordination, and interpretation of data” (pg. 492).

This research seeks to study how people come to understand their world in the context of a novel situation of government mandated CSR. It seeks to determine how people attach meanings to certain phenomenon, their understandings and their resultant behaviour. Hence for this research about the effects of government mandated CSR on perceptions and actions, entering the social world of the people (CSR related stakeholders) and understanding their world from their own viewpoint was considered crucial (Saunders, Lewis and Thornhill, 2007) making the interpretivist approach appropriate for investigating the phenomenon.

3.3. Research Objective

The objective of this empirical research is to investigate how the creation of a CSR law, and thus mandatory engagement in CSR as a whole through a law, shapes how managers, and intended beneficiaries of CSR activity, think about and practice CSR.

Under this larger research agenda, it focuses on the investigation of how meanings, interpretations and understandings of managers, beneficiaries and other stakeholders (NGOs, implementation partners) have changed or have been changing or evolving due to the law requiring mandatory CSR engagement. The idea is to understand how sensemaking activities have influenced existing interpretive schemes.

Secondly, this research aims at understanding how such an approach to CSR unfolds in practice. The final aim of this research is to understand how those who are intended to benefit through these practices are in fact influenced. It therefore focuses on how the process of sensemaking has been influencing the evolution of CSR practices in organisations, along with the perceptions of benefits arising from them according to groups within and outside the organisational boundary.

Using the theory of sensemaking as a theoretical lens, this research aims at understanding a novel situation of government mandated CSR.

3.4. Qualitative, Exploratory and Inductive Research

The focus of this research has been on an unfolding empirical phenomenon. Based on the inherent complexity of the situation, the nature of research objectives, and the dearth of literature in this area, an exploratory approach was undertaken for gathering data. Exploratory research is suitable when knowledge about a research issue is limited. It aids in developing understandings during situations of inadequate understanding of the research context (Manerikar and Manerikar, 2014). Given the fact that little has been

known about the effectiveness of such mandatory CSR approaches and how they shape actor's perceptions and actions in a natural context, an exploratory research was considered appropriate.

Exploratory research is concerned with discovery, which differs from straightforward investigation, and where the researcher acts as an explorer (Jupp, 2006).

"The exploratory researcher does not approach their project according to any set formula. She/he will be flexible and pragmatic yet will engage in a broad and thorough form of research. Those engaged in exploratory research are concerned with the development of theory from data in a process of continuous discovery." (Jupp, 2006, pg. 110)

A flexible and adaptable exploratory and inductive research approach helped in understanding and seeking further insights into the meanings that have been associated with the fairly novel situation (Saunders, Lewis and Thornhill, 2007; Locke, 2001). Inductive research is also based on discovery (Mintzberg, 1979), and allows research findings to emerge from significant, recurring and dominant themes embedded in the gathered data while avoiding any restraints imposed by methodological structures. Inductive research involves detective work through which the researcher tries to draw out patterns, consistencies and core meanings relevant to research objectives that are evident in the data (Thomas, 2006). It then involves intuitive "creative leaps" that help generate theory by helping generalise beyond the data (Mintzberg, 1979).

Inductive research therefore follows a 'bottom-up' approach rather than one deduced from theory. The researcher's experience of collecting and analysing data generally shapes and characterises the emerging themes and the methodology followed for it (Creswell, 2007). Such a research approach therefore follows an iterative process between data analysis and data collection. The data collection strategy therefore needs to be altered and modified to accompany new questions that arise from the data.

Such an inductive research allowed for an unstructured and unrestrained investigation of the government mandated CSR scenario for an overall holistic analysis of the empirical context.

3.5. Multiple Method Qualitative Study

An exploratory and inductive qualitative research approach was used for this research in-order to gain rich, nuanced and detailed knowledge and understandings regarding the context being studied, and about which little was already known (Creswell, 2007).

"[Q]ualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them." (Denzin and Lincoln, 2011, p. 4)

A qualitative methodology aided in collection of "well-grounded, rich descriptions and explanations of processes occurring in local contexts" (Miles and Huberman, 1984, pg. 15). "With qualitative data one can preserve chronological flow, access local causality, and derive fruitful explanations" (Miles and Huberman, 1984, pg. 15). Thus, complex social processes pertaining to how managers and beneficiaries made sense of CSR when faced with mandatory engagement could be studied in more depth using such a qualitative approach. The 'why' and 'how' questions could only be answered through the use of "soft" qualitative data through which it was possible to explain relationships and deeper understandings (Mintzberg, 1979).

Such data generally allows for generation of creative "leaps" through intuitive processes based on how things feel or "seem" and also allows for poking around in relevant places (Mintzberg, 1979) to glean relevant bits of information. This approach was therefore deemed appropriate for this study.

A multi-method qualitative research approach was used for this research.

“Multi-method qualitative research refers to using more than one data collection techniques and applying multiple methods to analyse these data using non-numerical (qualitative) procedures to answer the research question.” (Wahyuni, 2012, pg.73)

Figure 3-1 below displays how such a multi-method qualitative study was undertaken for this research.

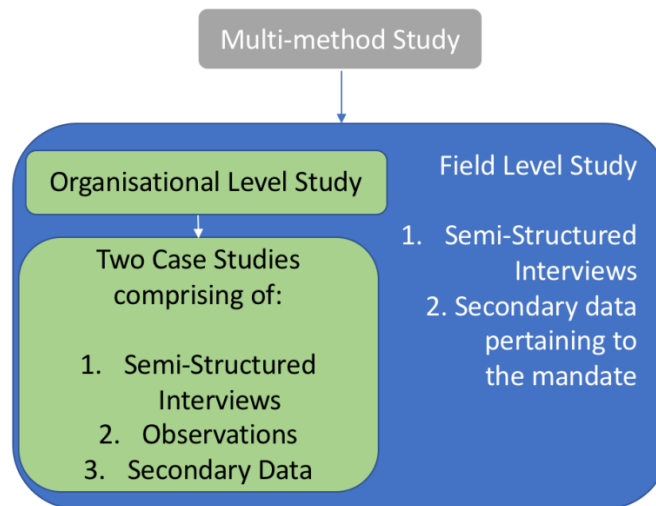


Figure 3-1: Multi-method Study

Through the multi-method qualitative research approach, the research questions were answered at two different levels, organisational and field, using three research methods, each of which was from the qualitative tradition (Tashakkori and Teddlie, 2010). These three research methods included semi-structured interviews, observations and secondary data.

At the organisational level, a multiple case study approach with two comparative cases was used which helped in revealing “how” CSR was being practised, made sense of and implemented, thus helping unravel episodes of sensemaking (Colville, Brown & Pye, 2012). At the field level on the other hand, the semi-structured ‘field’ interviews and secondary data pertaining to the law helped in supporting the case-study data by providing additional insights and external understandings from a variety of sources and perspectives, thus providing greater depth and support to the final findings.

The purpose of the field level data was to better understand the context within which the CSR mandate has been operating, according to a range of different stakeholders. This was aimed at providing the opportunity to see patterns that cross over the cases and into the broader field, and also to enrich concepts found within the cases and provide additional insights into them.

The three individual methods, semi-structured interviews, observations and secondary data, that formed the basis of the data collection will be discussed in detail in the next-sub sections. This will be followed by a discussion on how these methods were used in practice at the organisational and field levels in the coming sections.

3.5.1. Semi-Structured Interviews

The qualitative interviewer, through an interview, tries to understand the world from the interview participant's point of view and range of experiences (Kvale, 1996). Interviews are therefore controlled conversations with structure and purpose that have an aim of obtaining knowledge (Keats, 2000).

In this process, the interviewer attempts to dig deeper into meanings and understandings of research participants using carefully crafted questions. Taking the “traveller” metaphor mentioned by Kvale (1996), the interviewer as traveller wanders through the landscape and enters into conversations with people encountered such that they tell their stories and disclose their experiences. In this way the researcher as traveller explores the many facets of their lives and sometimes seeks to uncover more information in specific areas that he/she finds of specific interest by probing deeper into associated meanings. In this way the researcher moves in the direction of his/her research goal. An interesting feature of interviews is that they give the researchers an opportunity to explore why the interview participants respond in a certain way by probing through their responses (Kvale, 1996).

Interviews were undertaken for this inductive and exploratory research in-order to glean the rich interpretive qualitative data that was required to understand

stakeholder sensemaking in the novel government mandated CSR context. This helped in gathering explanations, thus facilitating probing of answers provided. This also helped in gathering the required rich contextual data for answering the research questions (Saunders, Lewis and Thornhill, 2007).

Specifically, semi-structured interviews were undertaken for this research. Semi-structured interviews allow a researcher/interviewer to listen to how and what people express about their lives and to hear them express their views, opinions, feelings and concerns in their own words. During such semi-structured interviews, the researcher works with an interview guide in-order to provide some structure to the conversation according to her research interests, however there exists flexibility for the respondents to answer spontaneously. This approach therefore facilitates evolving conversations (Brinkmann, 2014).

The semi-structured interviews conducted for this research allowed the interview participants to shape the path of the conversations, based on a few stimulating questions. They were thus allowed to talk about what they felt was most important according to them about the topic that was being discussed. Conversations were therefore shaped in the direction that they wanted with little intervention from the researcher. This helped reduce interviewer bias and also addressed concerns about social desirability bias since the interview participants were encouraged to answer open ended questions generating explanatory responses. The pilot interviews that were conducted before the actual interviews (as will be described later in section 3.5.1.1) also helped test the quality of interview questions beforehand and helped identify any potential biases that needed to be addressed (Chenail, 2011).

A few loose and open-ended questions were posed to interview participants during the semi-structured interviews, in no specific order, to collect information about the topic. The same set of questions were asked to the different stakeholders. However, alterations were made to the wording of the questions according to the stakeholder context. For example, question number 3a (see figure 3-2) would be posed to a CSR Manager as “How is (Company Name) coordinating with people, NGOs, beneficiaries and has this changed?

Has this changed since the CSR 2% spend mandate?”, while the same question would be posed to an NGO representative as “How is (NGO Name) coordinating with corporates, beneficiaries and other stakeholders and has this changed? Has this changed since the CSR 2% spend mandate?”.

The questionnaire for beneficiaries however differed. This was because there were time limitations associated with beneficiary interviews since generally it was found that there was a quick loss of interest affecting interview responses if the interviews stretched for too long and ventured into areas where the beneficiaries had little knowledge. Interview questions have been listed in Figure. 3-3.

Questions: (Common set of questions to be asked to everyone interviewed in the different organisations)

0. Could you tell me how you are associated with or involved with the company's CSR activities?

1. a. Could you please define/describe what CSR means to you (individually and at an organisational level) and how have you come to understand it?

2. a. How do you understand the CSR 2% spend mandate and what do you think about it?

b. Could you briefly please tell me about what (Company Name) has been doing in-terms of CSR? Has there been a change?

c. Have the meanings as to what comes under the term 'CSR' changed in recent years?

3. a. How is (Company Name) coordinating with people, NGOs, beneficiaries and has this changed? Has this changed since the CSR 2% spend mandate?

b. Whom do you think is perhaps the most influential (CSR leadership, beneficiaries, NGOs) in how CSR is thought about and implemented at an organisational level?

4. Do you perceive the mandate to be working? Do you think it is yielding any benefits to managers, beneficiaries, NGOs or employees? Is the CSR mandate so far resulting in positive change for organizations and/or beneficiaries?

b. What else do you think should be done apart from what is already being done (in general and/or at the organisational level) in terms of CSR, according to you? (optional depending upon time constraints)

Figure 3-2: Questionnaire

Questions for Beneficiaries

1. (Company Name) is currently working with you, what do you think about it? How was it before this?
2. How did you come to know about this activity by (Company name)?
3. Was this activity undertaken before a few years as well? Have you observed a change in the way the company has been helping you?
4. Has this been helpful?

Figure 3-3: Questionnaire for Beneficiaries

The aim of the interview questions was to elicit what the interview participants or stakeholders understood about the CSR mandate, whether they had observed any changes in CSR related activities and actions after the law, what they thought about it and whether they believed that there had been changes in terms of potential or real benefits because of the CSR interventions. While seeking to understand changes in CSR practice, the questions probed into meanings, as to whether what CSR meant had changed. The questions that were asked altered with time to some extent, without changing in content or consistency, with new information that was collected in the process (Creswell, 2007).

All interviews lasted between twenty to forty-five minutes. Most interviews were recorded, and all recorded interviews were fully transcribed for further processing during analysis. Some interview participants however did not wish their conversations to be recorded, and their interviews were therefore recorded by hand. This however meant that there was some reduction in accuracy while noting conversations, since it was not possible to record everything that was said. However, to glean as much information as possible, voracious notes were made by hand during the interviews which were typed up and elaborated on where necessary.

A verbatim depiction of speech was attempted while working for a “full and faithful transcription” (Cameron, 1996, pg. 33 in Oliver et al., 2005), and transcription accuracy mainly concerned the informational content and substance of the interview (Oliver et al., 2005), meaning that translation involved translation of the overall sentences to accurately capture their

meaning rather than translation of the literal meaning of each word. Some interviews were conducted either in Marathi or Hindi since the interview participants did not know English. These interviews were translated and transcribed by the researcher who is proficient in all three languages. An example of the transcription of a Marathi interview has been attached in the appendix section (Appendix 4) of this document along with another translation and transcription by another person fluent in Marathi. This is to show how both transcriptions generated the same meaning.

3.5.1.1. Pilot Interviews

‘Pilot’ studies generally entail pre-testing of a research instrument such as an interview schedule (Teijlingen and Hundley, 2001). Gill et al. (2008) suggest that it is often a clever idea to pilot the interview schedule on some respondents before beginning data collection.

“This allows the research team to establish if the schedule is clear, understandable and capable of answering the research questions, and if, therefore, any changes to the interview schedule are required” (Gill et al., 2008, 292).

4 interviews, which were a part of the initial set of field interviews, were conducted as pilot interviews to test the interview questions and to get an idea about the kind of responses that they generated.

Such pilot interviews helped in discarding any unnecessary, difficult or ambiguous questions, facilitating their re-wording and revision (Teijlingen and Hundley, 2001, pg.3). The para-phrasing and wording of some of the interview questions had to be changed based on participant responses since the participants sometimes seemed to find them either irrelevant in their existing form or hard to follow. Thus, for example in the initial version of the interview questions, a question which inquired into whether,

“the meanings (in relation to CSR have) changed by way of a collective change or as the result of a single person / leader giving meaning to the changed situation”,

was found confusing by the participants and hence had to be discarded after a few trials. The question was instead rephrased such that it probed into how the meanings in relation to CSR had altered and in what way (Question 2c in figure 3-2).

3.5.2. Observations

Observations involve emersion of the researcher in the research setting in order to observe, record, analyse and thus discover the ‘nuances’ of meaning associated with people’s behaviours, roles and how these change over time (Saunders, Lewis and Thornhill, 2007). They provide additional information about the topic being studied (Yin, 2014). Observations allow researchers to study and understand events and happenings from the perspective of the people being studied, within their natural context and environment. Such observations “require the researcher to spend considerable time in the field with the possibility of adopting various roles in order to gain a more comprehensive understanding of the people being studied.” (Baker, 2006, pg. 171)

Observational data gathered for this research helped uncover nuanced understandings about how sense was made of mandated CSR and its effects. The objective of this was to understand the meanings that the participants associated with the phenomenon. Considering the scope and purpose of this research, an observer role was appropriate for collecting the observational data. In this role, a researcher attempts to observe people such that it becomes unnecessary for them to take her into account (Gold, 1957), although this may be an idealistic assumption. In practice, awareness of the presence of an observer is likely to influence people’s behaviour to some extent.

A pure observer is a researcher who seeks to avoid any intervention by observing from the outside, and who aims at neither affecting, nor being affected by what is being observed. They seek to be unobtrusive and non-disruptive (Taber, 2015a, Taber, 2015b). Junker (1960) suggests that the complete (or pure) observer “..describes a range of roles in which, at one

extreme, the observer hides behind a one-way mirror, perhaps equipped with sound film facilities, and at the other extreme, his activities are completely public in a special kind of theoretical group where there are, by consensus, 'no secrets' and 'nothing sacred'" (Junker, 1960 cited in Seale, 2004, pg.224).

Using her observer role, the researcher was able to focus completely on being a researcher, without having to participate in any activity. Although being a pure observer was appropriate and also what was practically possible within the case studies, it also meant that the researcher was always an outsider. On the other hand, the advantage of this was that there was no danger of the researcher becoming too involved in any group, developing a bias in favour of the group's ways and thinking and losing the ability to look objectively at her surroundings (Brink, 1993). However, because of the pure observer role, there was an anticipated disadvantage of the researcher remaining outside the realm of the observed interaction. Thus, there was a danger of misunderstanding what was being observed (Gold, 1957, pg. 222). This was countered to some extent using the interview and secondary data that was also collected.

Informal conversations with different people within these organisations were also conducted in-order to acquire extra information and gauge the pulse of the surroundings.

"Unstructured conversation, mere chitchat, listening to others without taking notes or trying to direct the conversation is also important to establish rapport and immerse oneself in the situation, while gathering a store of "tacit knowledge" about the people and the culture being studied" (Fontana and Frey, 1994, pg. 371)

Informal conversations with people relating to CSR, jottings and reflective/marginal remarks and comments on field work notes etc. were key techniques that were used to aid ongoing data collection and also analysis (Miles and Huberman, 1984).

3.5.2.1. Note Taking

Field-notes refer to notes on observations made by a researcher during fieldwork, and involves recording observations about behaviours, activities, events etc. (Schwandt, 2015). Such notes aid in understanding the phenomenon that is being studied, improving the trustworthiness, validity and reliability of the research, and help in the interpretation process (Van Maanen, 1979).

Fontana and Frey (1994) suggest four considerations while writing field notes which are, 1. field notes need to be taken regularly and promptly, 2. seemingly unimportant accounts also need to be noted, 3. notes need to be written down inconspicuously, and 4. notes also need to be analysed frequently (pg. 368). All these suggestions were considered while taking field notes for this research.

Spradley (1979) suggests different types of notes that a researcher should take. These include short notes made at the time, expanded notes made as soon as possible after each field session, a field work journal to record problems and ideas that arise during each stage of fieldwork and a provisional running record of analysis and observation (in Silverman, 2001, pg. 227). Accordingly, observations were recorded as short notes while on field. These were then expanded later as early as possible and were typed up. Such field notes consisted of two parts: a. descriptive observations of behaviours, actions, conversations, the environment etc., and b. reflective inferences or comments on such observations. See figure 3-4 for an example of typed up field notes. Apart from this, ideas that arose during each stage of research were noted and stored for interpretation and analysis.

		<u>TechIT_Observation</u>	
Code	Date	Observations	Inferences
<u>TechIT_Observation_CSR Head</u>	1 Septemb er 2016	The CSR head who was taking me to her cabin on my first day at [redacted] looked at a CSR manager secretly and winked (in relation to my presence) after introducing me to him.	There seemed to be a good rapport amongst the CSR people. <u>However</u> there was a hint of superiority and perhaps
<u>TechIT_Informal_CSR Lead</u>	1 Septemb er 2016	CSR lead tells me that my research is not about sustainability. It is about CSR. After she tries to ask me the	insecurity coming from the Head of CSR.

Figure 3-4: Excerpt from the researcher's field notes

“Jottings” or analytical ‘sticky notes’ recording the researchers fleeting and emergent reflections on issues during fieldwork and analysis were made frequently through the research process (Miles, Huberman and Saldana, 2014, pg. 93). These were recorded as marginal notes, electronic notes on the computer or on pieces of paper which were collected and saved. Such jottings also proved useful during times when it was impossible for the researcher to take proper notes during field visits.

3.5.3. Secondary Data

Secondary data entails data collected in the past for some other purposes. Such data could entail previously collected research data by someone other than the researcher for some other research purposes, used in a different analysis (Schutt, 2011, pg.414, Flowerdew and Martin, 2005). Such data could provide a useful source for helping answer research questions (Saunders et al., 2009, pg. 256).

Secondary data provides the researcher with contextual material and information for primary research (Flowerdew and Martin, 2005, pg.58). Such

secondary data could include material like official surveys, statistics from government (eg. about demographic distribution), official documents about procedures, reports, presentations, meeting-minutes etc.

For this research, secondary data in the form of CSR reports, presentations, annual reports, official documents on CSR, information on company websites etc. was collected in-order to help understand the overall background pertaining to mandated CSR at the organisational and field levels.

Such secondary data helped in generating background understandings about CSR engagement and involvement, and how and whether CSR practices had altered with time.

Having discussed the three data collection methods that were used for this research, the next two sections discuss how these methods were used to collect data at the field and organisation levels.

3.6. Field Level Study

3.6.1. Field Interviews

At the field level, semi-structured ‘field’ interviews were conducted with many different people which included CSR managers, leaders, NGO personnel, consultants and other people associated with mandated CSR. See table 3-1.

34 field interviews were conducted in this way out of which 22 were recorded while 12 interview participants did not wish their interviews to be recorded. Such interviews were therefore recorded by hand.

10 out of the 34 interviews were conducted either in Marathi or Hindi since the interview participants did not know English or wish to speak in English. Such interviews were translated and transcribed by the author, as has been discussed earlier.

3.6.1.1. Sampling Strategy

A purposive snowball sampling (Atkinson and Flint, 2001; Noy, 2008) strategy was used for this research, since such a sampling strategy could help in selecting informants who could help in answering the research questions (Saunders, Lewis and Thornhill, 2007). The strategy that was initially envisioned to find potential interview participants for the field interviews involved finding representatives of companies, affected by the CSR law using a database search. However, it was found after several enquiries and searches that no such concrete database existed at that time (or so the researcher was informed) which listed all such companies affected by the law. Hence it was decided that at-least MNC representatives would be found as interview participants using this strategy, since it was anticipated that the size of their companies would bring them under the legal range of the CSR law.

It was therefore decided that requests would be sent to representatives of MNCs from the top 100 SEBI (Indian Stock Exchange) companies seeking permission for an interview. However, after a few trials, it was found that it was extremely difficult to find contacts and talk to these representatives without going through somebody who had some earlier contact with them. This was perhaps due to the fact that CSR is associated with deep-level reputation concerns for firms and perhaps because these companies were still working on building their CSR capability in-accordance with the law at the time.

The next strategy therefore used to find potential interview participants from companies was to find well-connected people who were related to the CSR field, and who could help in pointing in the direction of or making a connection with a few relevant people. This strategy proved to be fruitful. Interview participants after this first stage of interviews were then chosen through the already interviewed people who were asked for recommendations of people who could be interviewed next.

As has been discussed, this study's research questions probe into sensemaking around the CSR law and the mandated CSR context. While

trying to gain access for an interview, in a few initial instances when interviews were declined by the potential participants, it was realised that organisational representatives appeared happy to talk about the individual CSR activities that their companies participated in, however they needed reassurance while revealing more information. Hence soliciting access through a snowball sampling technique seemed appropriate.

The snowball sampling technique can be defined as a technique for finding research subjects where,

“..One subject gives the researcher the name of another subject, who in turn provides the name of a third, and so on (Vogt, 1999)” (Atkinson and Flint, 2001, pg.1).

It is known that a selection bias generally results from a deliberate sample selection by the researcher (Collier, 1995, pg.461). A selection bias could have therefore resulted for those who were contacted directly and were happy to participate, while others said ‘no’, affecting the sample. Snowball sampling involves a repetitive referral process where access to informants is sought through contact information that is provided by other informants (Noy, 2008). It was anticipated that this sampling strategy would generate significant potential sampling bias. However, considering the research context and situation, this was the only strategy that appeared appropriate. The snowball sampling posed potential selection or sampling bias which generally limits the validity of the sample (Attkinson and Flint, 2001). This is because the research participants selected through this strategy are not found randomly, and their selection is based on the individual choices of the respondents that were first accessed. Such samples may also be biased towards the inclusion of certain individuals (Attkinson and Flint, 2001). To address this concern, a relatively larger sample size with a total of 34 field interviews was used which was anticipated to aid in reduction of such a sampling bias.

For this research, not only one but several discrete snowballing chains were also initiated for generating access. This ensured that not just a large single

chain sharing similar characteristics would be selected as part of the sample (Attkinson and Flint, 2001). This also aided in reducing, although perhaps not completely eliminating the sampling bias. Steps for reducing other forms of potential bias including social desirability bias, elite bias and researcher bias have been discussed in detail in section 3.10. Also see section 3.9 which discusses the researcher's experiences while conducting this research. It discusses the reluctances and assumptions among the interview participants about the research setting that have had an influence on the data that was collected.

The local government representatives were also found using this strategy. However, some of the NGO representatives and consultants in the set were directly contacted on the phone or via email. It was not difficult to find their contact details on their websites etc. and they seemed interested in participating in the research interviews.

After acquiring the contact information for such potential interview participants, an email (copy in Appendix 1) was sent informing them about the research and expressing an interest in interviewing them. The email informed the potential participants that they would be guaranteed confidentiality and anonymity. 12 out of 22 people contacted either consented to be interviewed themselves or consented on behalf of their colleagues. 34 field interviews were thus conducted in total. Table 3-1 enlists all the people interviewed as part of the field interviews.

People associated with NGOs	8
NGO_LP_Director	
NGO_N_Director	
NGO_S_Director	
NGO_SA_Co-ordinator	
NGO_SA_Director	
NGO_SS_Director	

NGO_TF_Co-ordinator NGO_TF_Fellow	
Consultants	6
Con_CSR_Non_Exec_Director Consultant_Aro_Director Consultant_G_CSR Pilot_Consultant_Indirect_Financial_SA Pilot_Consultant_Indirect_VV_Director Consultant_NW_CSR	
MNC Representatives	9
MNC_AC_CSR_Head MNC_AL_CSR Manager cum Sr Manager Pilot_MNC_Bank_CSR_Manager MNC_Bank_Employee MNC_Bank_General Manager Pilot_MNC_Bank_VP MNC_CONS_CSR_Head MNC_HAD_Plant Head cum CSR Head MNC_SUZ_CSR_Lead	
Medium Scale Company Representatives	9
MED_CS cum CSR Manager MED_GAD_Beneficiary MED_GAD_Beneficiary1 MED_GAD_CSR_Head	

MED_GAD_Owner	
MED_SEE_Owner	
MED_SMRU_Owner	
People associated with the local government	2
PMC_Commissioner	
PMC_Dept_Head	

Table 3-1 People Interviewed as part of the field interviews

The people that were interviewed (Table 3-1) were those that were affected by and associated with the CSR mandate in some way. These included representatives of NGOs, MNC, Consultants, medium scale organisations (fitting in the requirements of the law) and the local government. This interview sample thus helped ensure insights into the mandated CSR context.

The field interviews were conducted from January 2016 until March 2017 on an ad-hoc basis. Some of these interviews were conducted before the cases were studied and some others were conducted in parallel with the case studies (discussed in next section). The inductive and iterative technique that was used meant that within the context of the interview questions, topics that had generated interest in previous interviews and interactions were also discussed as and when appropriate in the following set of interviews.

3.6.2. Secondary Data pertaining to the Law

Apart from field interviews, considering that this research has been based on a law that mandates CSR activity, it was necessary to collect information pertaining to the Indian CSR law. This was essential for informing the contextual background that this study has been based on. Table 3-2 below enlists the secondary data sources pertaining to the law that were used for this research.

Data Type	Name and Number of Records
Official Documents	<ol style="list-style-type: none"> 1. Company's Act 2013 – Ministry of Corporate Affairs: http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf 2. National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business 2011 (Available Online): http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf 3. Corporate Social Responsibility Voluntary Guidelines 2009 (Available Online): http://www.mca.gov.in/Ministry/latestnews/CSR_Voluntary_Guidelines_24dec2009.pdf
Reports	<ol style="list-style-type: none"> 1. Report of the Company's Law Committee: file:///Users/namitashete/Downloads/Report_Companies_Law_Committee_01022016.pdf 2. Report of the High-level committee on CSR: http://www.companiesact.in/maile/HLC_report_05102015.pdf
Youtube Reports	<ol style="list-style-type: none"> 1. Sachin Pilot's speech on The Companies Bill, 2012 in Rajya Sabha: https://www.youtube.com/watch?v=OwQCZLNWk6U 2. Google+ Hangout with Shri Sachin Pilot on CSR: https://www.youtube.com/watch?v=hDg0F7gngYw 3. Enforcing a corporate conscience? https://www.youtube.com/watch?v=un815ra22IQ 4. Short Term Programme in Corporate Social Responsibility: https://www.youtube.com/watch?v=5cPpJeJ00IY
News Articles	<ol style="list-style-type: none"> 1. http://www.companiesact.in/Companies-Act-2013/News-Details/20626/MCA%20amends%20Schedule%20VII%20to%20bring%20more%20activities%20under%20CSR 2. PM's address at CII annual general meeting – 2007: TEN POINT SOCIAL CHARTER FOR INCLUSIVE GROWTH OUTLINED, INDIA HAS MADE US. WE MUST MAKE BHARAT (Available Online): http://www.pib.nic.in/newsite/erelcontent.aspx?relid=28178
Websites	<ol style="list-style-type: none"> 1. Ministry of Corporate Affairs, CSR Data and Summary: http://www.mca.gov.in/MinistryV2/csrdatasummary.html 2. National CSR Portal: https://csr.gov.in/CSR/

Presentations	<ol style="list-style-type: none"> 1. A snapshot of CSR spend for 7334 companies in FY 20014-15 (available Online on MCA website) 2. CORPORATE SOCIAL RESPONSIBILITY THE NEW GAME CHANGER (by Dr. Bhaskar Chattergee, DG & CEO Indian Institute of Corporate Affairs, available Online) 3. India's CSR policy and the NVGs (by Lekhan Thakkar, Director, Indian Institute of Corporate Affairs, available Online) 4. CORPORATE SOCIAL RESPONSIBILITY: An overview of the Companies Act, 2013 (by Gayatri Subramanian, Indian Institute of Corporate Affairs, available Online) 5. Corporate Social Responsibility the new game changer: DG PPT CSR RULES_25th Feb 2013. Indian Institute of Corporate Affairs. (by Dr. Bhaskar Chattergee, sent via email). 6. Corporate Social Responsibility the new game changer. Panel discussion on 'CSR Provision in the New Companies Act and its Impact'. IMC Chamber of Commerce and industry (by Dr. Bhaskar Chattergee, available Online): http://www.imcnet.org/cms/public/content/activitypresentation/CSR-THE%20GAME%20CHANGER%20(LATEST)_16th%20april.ppt
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Table 3-2: Secondary data sources pertaining to the law

Data pertaining to the CSR law was collected in the form of many official government documents and reports (eg. the High-level Commission Report on CSR and Sustainability, the companies Act 2013 document, the NVG guidelines etc.), presentations on the section 135 of the companies Act etc. These amounted to more than 500 pages of information. Video clips and websites, mainly from the Indian Ministry of Corporate Affairs were also used as a data source. Some information was collected via online news articles. All of these documents and sources are available publicly on the internet.

3.7. Organisational Level Study: Multiple Case Studies

At the organisational level, a multiple case study approach was used to gather data. This included a comparison case-study with two cases, which involved data collection via semi-structured interviews, observations and secondary data sources.

Case study “is a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real-life context using multiple sources of evidence” (Robson, 2002, Pg. 178 cited in Saunders, Lewis and Thornhill, 2007, pg. 139). They are “.. rich, empirical descriptions of particular instances of a phenomenon that are typically based on a variety of data sources (Yin, 1994)” (Eisenhardt and Graebner, 2007, pg. 25). Case studies allow investigators to focus on specific cases and retain a holistic and real-world perspective (Yin, 2014).

For this research, as discussed earlier, a sensemaking perspective has been used to study the effects of government mandated CSR on perceptions and practice. This research has aimed at finding the processes through which meanings have been negotiated and perceptions and attitudes have been shaped pertaining to CSR practice. The ‘how’ questions that it has aimed at answering therefore required rich and in-depth descriptions of the contemporary social phenomenon over which the researcher had little or no control. Such research questions could be effectively addressed through a case study methodology (Yin, 2014). According to Siggelkow (2007), “research involving case data can usually get much closer to theoretical constructs and provide a much more persuasive argument about causal forces than broad empirical research can” (pg. 22-23)

A multiple case study approach as being oriented towards induction and suitable when little is known about a phenomenon was appropriate for this research. Evidence based on multiple cases is considered more compelling than that based on a single case study, making a study more robust (Herriott and Firestone, 1983 cited in Yin, 2014, pg. 57). Presence of multiple cases helped increase the scope of the study and also helped in establishing the range of generality of findings or explanations, and, at the same time, pinning down of the conditions under which those findings occurred (Miles and Huberman, 1984, pg. 151).

A multiple-methods approach which is generally used to study case studies allows the collection of complementary data to generate richer understandings

(Yin, 2014). Multiple sources of evidence used to collect data regarding the cases helps researchers to address a broader range of historical and behavioural issues and to develop “converging lines of inquiry” (Yin, 2014, pg. 120).

The two cases in this multiple case study approach helped in revealing “how” CSR was being made sense of. This was possible through rich insights developed through observing relationships between the different CSR actors, studying their actions and understandings, and by talking to a variety of people within the organisations associated with CSR. The context within which the two cases and the organisational actors within them existed helped in developing individual interesting stories which aided in the theory building process. The secondary data collected in relation to the cases in the form of annual reports, presentations and other supporting material also helped corroborate insights.

How the cases were selected for this study and how the three methods, namely, semi-structured interviews, observations and secondary data were used within the case-study approach will be discussed next.

3.7.1. Case selection for the study

The research questions and conceptual framework of a study generally determine its sampling strategy (Miles and Huberman, 1984). Potential cases for a study, however, need to be chosen after some careful consideration. First and foremost, only cases which would help in answering the research questions were chosen. Secondly, it was carefully considered whether there was sufficient access to those chosen cases, which was essential for the necessary data in the form of interviews, documents, archival records etc. to be available as per the requirements of the study (Yin, 2014).

Cases for this study were carefully selected based on criteria that helped illuminate the sensemaking processes of affected stakeholders in relation to mandatory CSR requirements (Walsh and Bartunek, 2011) such as the spend

criteria and structuring and reporting obligations. Therefore, purposive or judgemental sampling was used in-order to select cases that helped in answering the research questions (Saunders, Lewis and Thornhill, 2007).

Cases were chosen based on two criteria. First, since this research is based on the implementation of a CSR law, it was necessary to select only those firms that were affected by the law in the first place. Second, firms were chosen based on their experience with CSR, i.e., based on differences in their past CSR engagement histories. Therefore, firms were chosen based on a. that they were affected by the law, and b. that they had different levels of past experiences (histories) with CSR engagement.

Two companies were chosen for this study. The first company chosen was TechIT. This firm was chosen, firstly, based on the fact that it met the criteria of the legislation such that the mandate applies to it, and secondly based on the fact that it has a long history of CSR engagement. TechIT's past experience with CSR provided an opportunity to investigate the impact of the CSR mandate on an organisation that was already involved in CSR since before the law. This was because it was understood that such a firm would have more records, informants, experience with CSR implementation etc. and would aid in development of a rich case history (Walsh and Bartunek, 2011). The other firm that was chosen, BuildCom, also firstly met the criteria of the legislation. Secondly it belonged to the category of firms that have recently started engaging in formal and sophisticated CSR activities only after the law was implemented. BuildCom's limited CSR experience before the law was expected to help in understanding how the mandate has impacted the organisation and the changes that have occurred to their CSR practice after the law. This was expected to help in generation of data that could illuminate rich theoretical insights, and this sampling strategy was expected to aid in uncovering the overall "sequences of events and the evolution of social processes over time" (Walsh and Bartunek, 2011, pg. 1020). Thus, promising cases were chosen such that they would ensure fruitful insights for generation of new knowledge (Langley and Abdallah, 2011).

The strategy that was used while looking for potential cases to study, was to request the interview participants from the initial set of field interviews (at the end of their interview) to seek permission from their company for a wider company-wide study around their interview topic. One such interview participant from an NGO helped in gaining access to the CSR head at TechIT who then granted access to conduct a case study at her company after some negotiation. Access to BuildCom was generated through a well-connected academic contact through whom a direct connection was made with the chairman of the company, who then granted the necessary permissions for the study. The case studies were conducted from August 2016 until February 2017.

A brief description of each case is provided next.

3.7.1.1. Case 1: TechIT

TechIT is an Indian Information technology services company which was incorporated in the 1990s. The company is located in more than 10 countries worldwide and in more than 5 locations in India.

It is evident through the company's annual reports that TechIT has had a sustained involvement in CSR since its inception. Such CSR activities however were not formalised earlier, and hence the CSR 'wing' or the CSR Foundation of TechIT was started in the late 2000s and was set up in all of its India locations by the following year. The company foundation's website describes how the foundation was started in-order to institutionalise their CSR programmes in-order to streamline their donation processes. It also mentions that the aim of the foundation has been social upliftment of the lesser privileged (TechIT_Website_Fndn_Home).

The website mentions that the TechIT foundation mainly works in three key thematic areas of Health, Education and Community Development. It does so through more than 30 NGO and implementation partners, and most of their CSR programmes have an urban focus (TechIt_AnRpt_2016).

The CSR efforts and activities of TechIT have received recognition through several forums (TechIT_FoundationWebsite_Media&News), and the deep and committed involvement of the company's leadership is evident through all of its CSR activities. There is also a lot of focus on employee involvement which is also evident through the company's CSR reports.

With time, TechIT has been implementing bigger projects along-with implementation partners including the local government (TechIT_Observation_Oct4). With more funding generated through the 2% mandate, they have recently launched high budget flagship projects in the areas of health and hygiene and renewable power generation.

3.7.1.2. Case 2: BuildCom

Unlike TechIT, BuildCom is into the traditional business of construction material for industrial, commercial and residential applications, and is a leading building solutions provider in India. The Company's building products and solutions are available all over the country and in over 30 countries worldwide.

Unlike TechIT, BuildCom has not had a sustained involvement in CSR since the past and this is evident from its past annual reports and website. The CSR conducted before the commencement of the law involved a few ad-hoc philanthropic activities, NGO support and donation events, plantation drives and low involvement community engagement activities like health awareness camps. The company's CSR engagement seems to however have been scaled up in the presence of the law (BuildCom_ FoundationWebsite, BuildCom_AnRpt_2016).

The Company formed the 'BuildCom Foundation', a non-profit, in 2015 to undertake CSR activities on behalf of the Company after the implementation of the CSR law. The company's foundation website describes how BuildCom is interested in the wellbeing of the surrounding communities in the areas of their operation, and strongly believes in giving back to the community. The BuildCom foundation mainly works in the areas of environmental sustainability, employment enhancing vocational skills, health, hygiene and sanitation,

promotion of education and promotion of sports. Most CSR programmes have a rural focus since the company has its factories in rural areas (BuildCom_Website_Fndn).

The BuildCom foundation conducts initiatives at all its company locations in India under these key thematic areas. Along-with CSR, there is a keen focus on an activity called “PSR” or “Personal Social Responsibility” where there is a focus on encouraging employees to carry out social activities (BuildCom_Website_Fndn, BuildCom_AnRpt_2016).

In the last two financial years, the company has not been able to spend all of the 2% of their net profits allocated to CSR. The reason provided for this in their annual report (BuildCom_AnRpt_2016) is that they have been in the process of setting up a CSR frame work and are still identifying CSR projects.

3.7.2. Data Collection Methods used for the Case Studies

As part of the case study research, three data collection methods were employed including semi-structured interviews, observations and secondary data sources. The main data collection technique used was semi-structured interviews, which was followed by observations made on company grounds and also data from secondary sources. Interviews were conducted with CSR managers, company leaders, beneficiaries, employees, general managers, people from NGOs associated with the organisations, and basically people who were associated with CSR activities within the organisation. Please see Table 3-3. This aided in gaining understandings from a variety of perspectives, from people who were directly involved in CSR implementation and design.

Interview Participant Groups	Reason for inclusion in Interviews
Leadership	They were the decision makers with respect to their organisation’s CSR related decision making

CSR Heads	They were implementing heads of CSR in an organisation
CSR Managers	They were the implementers of CSR in an organisation and worked under the guidance of the CSR Heads
General Managers	They were expected to take part in CSR activities and urge their team members to participate.
Employees and Volunteers	They were the participants of CSR activities
NGO and Implementation Partners	These were the implementation partners who worked with the corporates on CSR projects and provided them with field level expertise.
Beneficiaries	They were the expected beneficiaries of organisational CSR
Shareholders	They had a say in CSR related decision making

Table 3-3: Interview Participant Groups

Multiple interviews undertaken in each firm helped in reducing interviewer bias. Also, real time data collection techniques consisting of short informal conversations and observations complemented the retrospective interview data collection (Eisenhardt, 1989). This helped in reducing reporting bias and also helped to increase the volume and richness of data from heterogeneous sources.

Apart from this, secondary data helped in collecting the background data and in the development of rich case histories. Such secondary data included reports, presentations and information from the company websites.

The data collection methods used helped in uncovering a richer picture of CSR practise and implementation within the two companies and facilitated generation of linkages in-between different pieces of the collected data.

3.7.2.1. Interviews:

Interviewing was the main data collection method used followed by observations, informal conversations and data in the form of secondary sources. 46 interviews were held within the cases with different people concerned with CSR activity. Out of these, 44 were recorded while 2 interview participants did not wish their interviews to be recorded. Such interviews were therefore recorded by hand. 13 out of the 46 interviews were conducted either in Marathi or Hindi since the interview participants did not know or wish to speak in English. These interviews were translated and transcribed by the researcher as discussed earlier. Of the total interviews, 26 were held at TechIT and 20 were held with people at BuildCom. Table 3-4 enlists all the interviews undertaken as part of the cases.

	TechIT (Total 26)	BuildCom (Total 20)
Leadership	6	2
	TechIT_Admin_Lead TECHIT_CS_Head TECHIT_Finance_Head TECHIT_Infra_Lead TECHIT_Logistics_Head TECHIT_Vendor_Managt_Head	BUILDCOM_Chairman BUILDCOM_Plant Head
CSR Heads	3	1
	TECHIT_CSR_Head TECHIT_CSR_Lead TECHIT_PF_CSR_Head	BUILDCOM_CSR_Head
CSR Managers	6	2

	TECHIT_CSR_Bang_Lead TECHIT_CSR_Goa_Lead TECHIT_CSR_Hyd_Lead TECHIT_CSR_Nag_Lead TECHIT_Education_CSR TECHIT_Group of CSR Managers	BUILDCOM_CSR_Group of Managers BUILDCOM_CSR_Manager
General Managers	3	3
	TECHIT_Admin TECHIT_Senior_HR TECHIT_Emp_Engage_Head	BUILDCOM_General Manager BUILDCOM_Manager1 BUILDCOM_Manager2
Employees and Volunteers	2	1
	TECHIT_CSR_Volunteer TECHIT_Finance_Team	BUILDCOM_Employee
NGO and Implementation Partners	5	1
	TECHIT_NGO_Partner TECHIT_NGO_Partner1 TECHIT_NGO_Partner2 TECHIT_Partner TECHIT_Partner_1	BUILDCOM_CSR_Partner
Beneficiaries		10
	(Informal Conversations with 2 beneficiaries)	BUILDCOM_Beneficiary BUILDCOM_Beneficiary1 BUILDCOM_Beneficiary2 BUILDCOM_Beneficiary3 BUILDCOM_Beneficiary4 BUILDCOM_Beneficiary5 BUILDCOM_Beneficiary_Girl BUILDCOM_Beneficiary_Girl1

		BUILDCOM_Beneficiary_Girl2 BUILDCOM_Beneficiary_Girl3
Shareholders	1	0
	TechIT_Shareholder	

Table 3-4: Interviews undertaken as part of the cases

After acquiring the contact information for potential interview participants from the CSR lead at TechIT, an email was sent informing them about the research and expressing an interest in interviewing them. The email also discussed that they would be guaranteed confidentiality and anonymity.

In both cases, the heads of CSR initially acted as gatekeepers through whom other interview participants were found. In case of both firms, the heads of CSR either asked employees and people associated with their CSR if they would like to be interviewed or requested some key people within their organisation's CSR operations to speak with the interviewer. This was mainly because the heads of CSR also wished to gain some extra insights themselves from the data that was collected. It was anticipated that a potential gatekeeper bias would be generated from access that was granted to research participants via such gatekeepers. This was because gatekeepers could potentially generate or hinder access to certain participants (Attkinson and Flint, 2001) aiding in generation of a certain desired picture through their responses, or by generating a focused understanding regarding only certain aspects of CSR practice that they were attuned to. Another bias that was anticipated to result because of gatekeeper involvement was acquiescence bias which could result in a tendency of the respondents to just acquiesce with statements in times of uncertainty. In case of reluctant participants who were requested to participate, partial and superficial information could be received. Although it was difficult to completely eliminate these biases since it was otherwise impossible to generate access to conduct a case study in such organisations, a few steps were taken to reduce its effect. For example, observations were also made within the organisations, as will be discussed in the next subsection, which

aided in developing better understandings, and interviews were conducted with many different people within the organisations.

27 of 29 people who were contacted at TechIT consented for an interview, however one interview could not be conducted due to scheduling issues. At BuildCom, the head of CSR acted as the gatekeeper to whom an email was initially sent. They then either made personal introductions or forwarded the contact details of potential people who could be interviewed to the researcher. Phone calls were made in-order to seek consent and schedule interviews with such people. 21 of 46 people who were contacted or who could be contacted at BuildCom consented to be interviewed, however one interview could not be held due to the interview participant's personal reasons.

Another bias, which raised concerns especially concerning beneficiaries, comprised of the acquiescence bias. Specifically, in case of BuildCom, beneficiaries from ongoing training sessions were randomly picked up and 'asked' to speak with the researcher. Interestingly, the answers that were received mostly seemed candid. However, such a situation was addressed through the use of the semi-structured interviews and through clarifying the purposes of the researcher and the research being conducted, making sure that the beneficiaries understood that they would not be affected even if they answered in the negative.

The semi-structured interview technique that was used was the same as that which was used for the field interviews. All interviews were based on the same set of questions and were conducted in a very similar manner. The only difference between the case related interviews and field interviews was that understandings based on other interviews within the case and the secondary data that was collected about the case could be referred to and elaborated on to gain deeper insights about the case. This was particularly useful while trying to decipher how meanings were getting negotiated and perceptions and actions were being shaped pertaining to mandated CSR at an organisational level.

3.7.2.2. Observations

35 hours of observations were recorded pertaining to CSR activity of which 20 were at TechIT and 15 were at BuildCom. At TechIT, observations were mainly made at the head office location, and these included observations made during formal and informal situations such as in between interviews, meetings and during lunch and tea breaks, while accompanying CSR managers on beneficiary visits and also while attending CSR meetings with NGO and potential CSR partners. At BuildCom, observations were made during a visit to the company's remote manufacturing location where two CSR programmes were closely observed. The researcher also made observations at a certificate distribution ceremony and observations were made in between interview meetings and during breaks.

3.7.2.3. Secondary Data

Secondary data in the form of documents including annual reports, CSR reports and presentations amounting to more than 500 pages was collected relating to the cases and a video clip and data from websites was also used to supplement the primary data (Saunders, Lewis and Thornhill, 2007). It helped provide evidence of past events and also helped provide information about their chronological structuring in time. See Table 3-5 for details.

Data Type	Number of Records	
	TechIT	BuildCom
Annual Reports	For years 2011-12 until 2016-17	For years 2011-12 until 2016-17
CSR Reports	For years 2011-12 until 2016-17	
Internal Presentations		1 (about BuildCom CSR)

Video		1 (about BuildCom CSR)
Websites	TechIT Foundation Website, Company History page of Company's website	BuildCom Foundation Website, Company History page of Company's website
Notes of Observations	20 Hours worth	15 Hours worth

Table 3-5: Secondary data sources

Most of the secondary data was available publicly, however, some of it (eg. the internal presentation) was gathered from sources from within the firm. All of the annual reports, CSR reports, screenshots of the websites and the presentation were uploaded in NVIVO and provided with codes. The secondary data helped in generating background understanding about the CSR engagement and involvement and how and whether it had altered with time. The video was replayed several times and notes were made which were used as a separate textual file for analysis.

3.8. Data Management

Miles, Huberman and Saldana (2014) talk about how in qualitative research large amount of data comes from several sources, cases etc., making it inevitable to address data management concerns for its efficient use and retrieval (pg. 50). Considering the large amount of data that was expected to be gathered for this research, data management was considered of crucial importance for ensuring high-quality accessible data, for keeping a tab on how it was analysed and for its retention and retrieval at a later stage (Miles, Huberman, Saldana, 2014, pg. 50). Data storage and retrieval was therefore managed based on the guide provided by Miles, Huberman, Saldana (2014). See Table 3-6 for data storage and retrieval strategy adopted based on the guide provided by Miles, Huberman, Saldana (2014, pg. 51). Accordingly, raw

files and recordings, partially processed files, coded data, coding schemes, memos and other analytical text, charts and displays, and draft writings about the findings have been carefully stored and retained for future reference.

What to Store, Retrive From and Retain	
1	Raw material: field notes, recordings, site documents.
2	Partially processed data: write-ups, transcriptions, initial version, and subsequent corrected, "cleaned", versions.
3	Coded Data: write-ups with specific codes attached.
4	The coding scheme or code book in its successive iterations.
5	Memos or other analytical material: the researcher's reflections on the conceptual meaning of the data.
6	Data Displays (Charts and displays drawn during analysis and interpretation) and evidence of analytical episodes.
8	Report Text: successive drafts of what is written on the design, methods, and findings of the study.
9	Index of all of the above material

Table 3-6: Data storage and retrieval strategy adopted based on the guide provided by Miles, Huberman, Saldana (2014, pg. 51)

The hard copy data has been stored in a folder with an index and tabs categorising the data (as seen in figure 3-5). However raw recorded interview recordings and coded transcripts and soft-copy version data on NVIVO are stored as software files in designated folders on the researcher's computer.

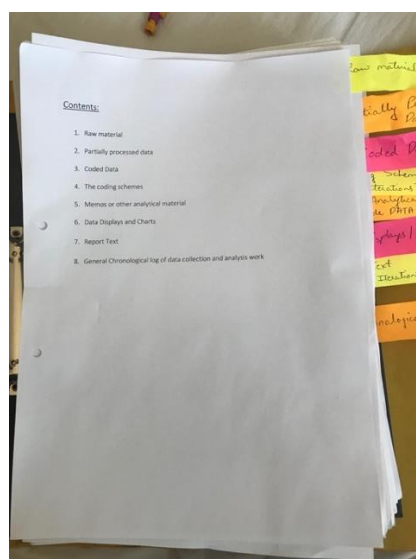


Figure 3-5: The researchers hard copy data folder

3.9. The Researcher's Experiences while Collecting Data

The importance of reflexivity in research has been recognised in many texts (eg. Hall and Stevens, 1991, Darawsheh, 2014), and such reflexivity is required in-order to integrate the researcher's subjective experiences, feelings and attitudes while developing the findings (Darawsheh, 2014, pg. 32-33).

While reflecting upon her experiences during the data collection process, the researcher realised that a few significant occurrences have had an influence on the research data collection process. To start with, the researcher had a few interesting experiences while trying to find potential cases to study. The researcher was led to believe on one occasion that she would be allowed access into a company for her research after a few email exchanges, however after a couple of interviews with the company seniors she was not provided further access to other persons in the company or for making any observations. When probed into why this happened even after negotiating permission and access, she was informed that they believed that this was the maximum amount of access that they could grant for research.

On two other occasions the researcher was able to convince the gatekeeper, who in one case was a CSR manager and the other the HR lead, to let her study their company's CSR as part of a case study. However, the respective persons were unable to obtain the required permissions from their company leaders.

Before an interview, the researcher was once asked by a senior manager whether she was going to publish any of the information that was going to be discussed during the interview in a newspaper article or any other communication medium or engage in some other similar activity. This was perhaps due to insecurity arising from the fact that CSR is associated with deep reputation concerns for firms, and as one of the interview participants once informally suggested, it was mainly because these companies still did not know what they were doing with respect to their CSR. The researcher had to address all the senior managers concerns by assuring them that she was

ready to sign a confidentiality agreement and there would be complete confidentiality and anonymity.

At one point a manager at an IT firm that had recently started engaging in CSR turned slightly aggressive. At the beginning, in a very reserved manner she made the researcher sign a non-disclosure agreement and told her that she had only twenty minutes to spare and that the researcher would not get much information from her. This was after the researcher had received the necessary permissions to speak with the manager from an employee at a higher level in the organisation. The researcher was then asked inappropriate information about her background and interests. However, the researcher was able to convince the manager by addressing all their concerns after which the interview lasted for over thirty minutes and the manager appeared much less hostile at the end. Such experiences suggested some deep insecurities with regards to CSR engagement.

At TechIT, the researcher on one occasion was told how she received access to the company only because of their 'open, helping and pro-education attitude'. On a few occasions it was also made clear that the access that the researcher received was almost like an achievement or favour (eg. At TechIT). Considering that she was asking questions in-order to solicit answers from her respondents without having a say herself on those questions and considering that she was a student, the researcher sometimes felt that she was not taken seriously. In the very beginning of data collection at TechIT, while being taken to the cabin of the CSR lead, a CSR manager happened to be seated in a cabin on the way. The researcher after being introduced to the CSR Manager realised that the CSR lead quickly winked at the CSR Manager suggesting something related to the researcher's presence. In this way, the researcher felt like she was constantly being evaluated or judged in order to evaluate the reasons for engaging in this research. She was constantly being considered, referred to and treated as 'just a student'. This meant that at times the interview responses that were received were at a fairly superficial level and the

researcher had to probe deeper to access the information that she wished to understand.

Interestingly however, in one or two instances she found that CSR managers (eg. at BuildCom) were interested in being associated with her professionally, and in one case the CSR manager even asked her if she would like to be associated with his future CSR consulting entrepreneurial endeavour.

In a few instances, beneficiaries during their interviews directly or subtly approached the researcher asking for requests to be conveyed to the company on their behalf. The beneficiaries then had to be very carefully informed that it was not possible to do so.

Apart from this the researcher realised that she had to make a considerable effort to fit into the culture - appearance, language and working-style wise, if she wished to collect data that represented the actual occurrences within the organisations. Having been living in a developed western country for a few years, the researcher had become accustomed with scheduling and work cultures according to western standards which had to be re-adjusted while working in India in-order to gather the desired data.

3.10. Steps taken for Addressing Bias

It was understood that the presence of the researcher could potentially affect participant behaviour and responses. The researcher's presence could result in distortion of certain information, or participants could wish to appear in a certain way, thus affecting validity and reliability of the collected information. Respondents could present a pleasant picture in fear of reprisal. Informants could also attempt to please the researcher by responding in a way that they believed was socially desirable and expected, rather than displaying their true feelings. This is known as social desirability bias (Grimm, 2010). Such a bias is especially an issue of concern when research involves socially sensitive issues where personal opinions might reflect in the respondent's responses (Grimm, 2010). This was true in case of this research where at times personal

opinions and values were observed to be associated with CSR conducted at their organisations. Developing a rapport; appearing non-judgemental and being normal in appearance were the strategies that were used to offset this problem of social desirability bias.

The interview participants were informed right at the beginning about the reasons for this study and were guaranteed confidentiality and anonymity. The researcher attempted to increase the validity of responses by making sure that the informants were clearly informed about the nature of the research, the researcher's role and the fact that the researcher was an independent neutral entity not employed by any company. Interviews, observations and secondary data were systematically recorded. Where possible, familiarity of the research setting was sought for some time, before conducting interviews, so as to make participants comfortable with the researcher's presence. Another strategy that was used was to compare responses with secondary and observational evidence, along-with other interview participant responses, to validate understandings.

Researcher bias introduced by the researcher's own personal opinions, principles and values which generate focus on collection of data based around the researcher's personal understandings and inclinations was addressed by talking to different people in the field of CSR along-with fellow academics about the researcher's interpretations. An example of a short excerpt from a recorded conversation with an academic (cum social entrepreneur) in India is displayed below. This discussion was based around clarifying the researcher's interpretations regarding whether the past experience and formal education of a newly hired (after the law) CSR manager (eg. somebody with an MBA degree and business background, or a degree in social work or experience in social work) affects how CSR is practised within a company.

Me: One more thing that I had felt was, my opinions change with the number of interviews that I conduct..

Academic: That's bound to happen. That's quite natural..

Me: I have felt that, corporates with [CSR related] people who have an MSW [Master's in Social Work degree].. they work slightly more passionately because I guess they have a job opportunity now right.. in the CSR field

where they get recruited.. So I feel there is more involvement of those corporates in social activities or environment related activities..

Academic: That is true to some extent.. however.. it depends on how much the person's management lets him work at his own will.

The problem of "elite bias" caused due to over-representation of data from some high-level employees or 'experts' while under-representation of data from other less articulate sources was overcome by interviewing many different people inside and outside the organisations and at different levels of the organisations. The other potential problem of "elite bias" caused due to the presence of the researcher was identified and addressed by spending more time with the participants and developing a rapport with them. It was recognised however that it was not possible to address such a bias completely. However, wherever possible and whenever identified, an effort was made to address it by making it clear that the researcher was not an expert but was interested in studying the phenomenon in context.

The researcher has also striven to present the methods and data collection strategies used for this research as clearly as possible, also carefully documenting observations to enable fellow researchers to form a valid judgement.

3.11. Validity and Reliability

3.11.1. Validity

Research validity is associated with the accuracy and truthfulness of its findings. It is the representation of what actually exists and an assessment of whether the research is measuring what it is supposed to measure (Mohajan, 2018).

"By validity, I mean truth: interpreted as the extent to which an account accurately represents the social phenomenon to which it refers (Hammersley, 1990:57)" (Silverman, 2001, pg. 232)

According to Silverman (2001), validity of a study could be improved by using different methods to corroborate each other and also the findings. A combination of methods including interviews, observations and secondary data therefore helped in improving the validity of this research. Brink (1993) suggests that other means of providing validity and reliability are the use of the constant comparative method for analysis, as has been used for this research (see section 3.13). Inclusion of different cases which are purposefully selected using theoretical sampling could help strengthen descriptions through confirming or conflicting findings (Brink, 1993). For this research, as has already been mentioned, along-with two cases chosen for comparison, field interviews were also conducted which helped enhance validity and reliability of the research findings.

Interviews and observations were recorded with accuracy and analysed systematically improving validity (Silverman, 2001). Of the 80 interviews, 66 were digitally recorded. The 14 interviews which could not be recorded were because of the participant's reluctance to being recorded. Such interviews were recorded by hand through notes. Thus, as much as possible, data was recorded through digital recording and through careful notes.

3.11.2. Reliability

Judging the reliability of the findings of a study requires researchers to make judgements about the 'soundness' of the research. It is concerned with stability and consistency, and it is the ability of a research method to yield the same results over repeated testing periods (Mohajan, 2018). This requires assessment of the appropriateness of the methods used and the integrity of the final findings and conclusions (Noble and Smith, 2015, pg. 34).

Reliability of observations was improved by systemizing the way field notes were taken in accordance with Spradley's (1979 in Silverman, 2001) guidelines and recording them as soon as possible. With respect to interviews, most interviews were tape recorded, as has already been described, and carefully transcribed. Audio recordings of interviews allowed for repeated revisits to the

data in-order to check and recheck emerging themes and in-order to continuously remain true to participants' accounts. Also, long extracts of data have been included in this document and rich and thick accounts of conversations with participants have been presented which help readers make judgements about the reliability of the collected data (Silverman, 2001, pg. 230, Noble and Smith, 2015).

In general, a well-articulated and transparent methodology followed by sound analysis of the research findings have ensured validity and reliability of the research findings.

3.12. Consideration of Ethics

Data collection focused on the sensemaking processes of organisational stakeholders in relation to mandated CSR. Data was therefore gathered at the individual and organisational levels. At the individual level, interviews were held to understand sensemaking processes in relation to CSR. Observations were also made of individuals during meetings, CSR events and activities. At an organisational level, secondary data such as reports, websites, company documents etc. were collected. Most of this information was publicly available and therefore did not pose any additional harm to any participants. The interview and observation data as well as some secondary sources were however not publicly available. In such cases, the participants were clearly informed in advance. For this, an invitation letter written in simple language with details about the research and the implications of their participation was sent to the participants or the gatekeepers in advance. This letter clearly informed the potential participants about how the outputs of this research were to be used. It also confirmed that their participation was voluntary, confidential and anonymous. Their consent was received through return emails which confirmed their interest in participation. In case of contact made through gatekeepers, such information was again provided to the potential participants in person or over the phone before the interview and depending upon their interest, their consent was sought, and an interview date was set.

Having considered the potential harms from this research, some possible but very unlikely harms that were anticipated at the beginning of this study and the way in which they were addressed is discussed below:

1. It was anticipated that comments from one participant could reach another participant (or to someone who may not be informed) causing a threat to individual reputation, employment or work relationships. This harm was mitigated by guaranteeing anonymity and confidentiality. Thus, no names were used, and privacy was ensured in every form and aspect of the data collection and analysis process.
2. It was understood that talking to vulnerable beneficiaries, eg. children and women in impoverished conditions could create some possibilities of encountering with situations that could potentially harm their interests. This was avoided by ensuring that the people that were interviewed or observed were willing participants who were not feeling coerced. They were pre-informed about the research intentions and it was made clear that they could decline speaking with the researcher if they wished to. Their inputs were not collected covertly. The researcher tried to reduce any potential power distance issues that could arise in some situations by preparing for and addressing such situations appropriately by, for example, dressing up appropriately, making the participants feel comfortable and building a rapport. Also, not “putting words in the participant’s mouths” was given serious consideration. Confidentiality and anonymity were paramount. Every other precautionary measure that was found appropriate in the given situation was also considered.

In terms of data storage and handling, soft copy versions of the data were kept in a separate folder on the researcher’s personal computer which was password protected. Another copy of all the soft copy data was stored as a back-up on the researcher’s google drive cloud which was again password protected. Documents and hard copy data were stored inside folders in a locked cupboard. Only the researcher had access to the collected data. Data

were handled with care and used only for the purposes of this research. QSR NVIVO software was used to process, store and manage raw data from interviews and field notes.

3.13. Analysis and Interpretation

“Analysis breaks down or divides some complex whole into its constituent parts” (Spiggle, 1994, pg. 492). Researchers dissect, sort, reconstruct, reduce and manipulate data through analytical procedures (Spiggle, 1994). Through analysis, researchers “organize data, extract meaning, arrive at conclusions, and generate or confirm conceptual schemes and theories that describe the data” (Spiggle, 1994, pg. 493). Analysis according to Miles and Huberman (1984) consists of three activities: data reduction, data display and the drawing of conclusions from the data. These activities form a continuous, iterative and cyclic process which also informs data collection in the initial stages of the study.

Interpretation however is a subjective, intuitive process of making sense of the analysed data by drawing ‘abstract conceptualisations’ and involves identifying relationships between the conceptual elements (Spiggle, 1994).

The constant comparative approach was used for this research where repeated comparisons were made of the collected data with a nascent model that developed through the analysis (Walsh and Bartunek, 2011).

As has been mentioned earlier, data collection began with field interviews (which continued until the end of the data collection phase alongside the case studies), followed by case studies of TechIT and then BuildCom. In the initial stages, the analysis was ongoing and iterative with frequent moving back and forth through data collection and analysis. Conducting preliminary analysis in parallel with data collection helps the researcher go back and forth between thinking and collecting, thus helping in gathering better quality data (Miles and Huberman, 1984).

Data analysis followed Spiggle's (1994) qualitative data manipulation technique which includes categorization, abstraction, comparison, dimensionalization, integration, iteration, and refutation. Data collection phases were followed by coding and simple analysis phases which informed further data collection. This aided constant comparisons between a tentative theory that was being generated with the data that was being collected. The idea behind this process was to generate a theory that was empirically valid (Eisenhardt, 1989, pg. 541). This strategy also helped preceding operations shape subsequent ones (Spiggle, 1994). The coding and analysis of the initial field interviews helped in highlighting categories that aided in coding and categorisation of the interviews for the first case, which further aided in the coding and categorisation of the second case interviews. Through categorization during the process of coding, the data was classified or labelled, and this proceeded inductively by identifying emerging categories in the data.

Differences and similarities across data were sought throughout the process of analysis using a constant comparative approach as mentioned, which aided additional inductive data collection and also helped in development of a logical model throughout the analysis. Constant comparison initially involved comparison of each incident in the data through assessment of differences and similarities with other incidents appearing in the data in-order to check whether they belonged to the same category (Spiggle, 1994). As analysis proceeded, the researcher compared incidents in the data with the appropriate emerging categories and not with other incidents (Spiggle, 1994, pg. 494).

Alongside, by compiling interview transcripts, observational and secondary data for each case, case histories were generated. This was done so as to gain intimate familiarity with each case individually, to deepen insight about each case and to form a preliminary theory. This also allowed the unique patterns of each case to emerge before the next phase of analysis commenced, which involved uncovering generalisation of patterns across cases for comparison. This also aided in the next phases of analysis.

A tactic used during the within and cross case analysis was to select categories and to look for within-group similarities coupled with intergroup differences (Eisenhardt, 1989). As will be discussed in the next section, the NVIVO software aided with this analysis. Multiple methods using different data sources (interviews, observations and secondary sources as discussed earlier) helped in establishing construct validity (Yin, 2014).

In the abstraction phase, higher-order conceptual themes and constructs were generated, and previously identified categories were classified into fewer more general abstract themes. This analysis led to emergence of themes and relationships which then allowed for comparisons to be made with the evidence from each case (Eisenhardt, 1989).

A constant stance of scepticism (Strauss and Corbin, 1990 in Spiggle 1994) was adopted throughout the analysis phase toward developing ideas by testing findings with data and analysing conditions under which the findings were valid. For a satisfactory and reliable analysis process, the researcher proceeded systematically while recording jottings and noting reflections about insights developed while collecting and recording data (Spiggle, 1994).

3.13.1. Example of Data Analysis

As has been mentioned, data was analysed using the NVIVO software. This was considered appropriate taking into consideration the large amount of data that needed to be analysed. The NVIVO software package assisted in recording, storing, indexing, linking, sorting and coding qualitative data (Leech and Onwuegbuzie, 2011). However, as Denzin and Lincoln (2005) suggest, the researcher is the main tool for analysis. The software therefore did not analyse the data by itself, it rather assisted in data analysis by increasing the effectiveness and efficiency of data analysis (Leech and Onwuegbuzie, 2011). In-order to achieve best results, manually written memos along-with manually made charts describing the data were used along-side to make sense of the coded data and therefore electronic and manual methods were used in combination. See figure 3-6 for example.

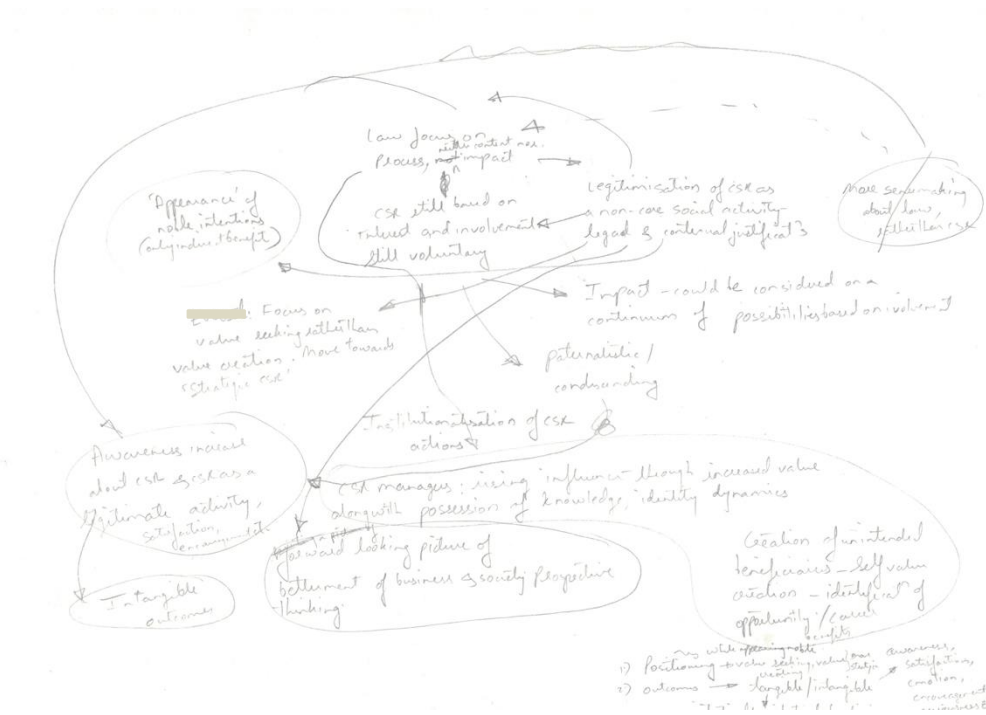


Figure 3-6: Manually made rough chart to understand concepts developed through NVIVO analysis

Files containing interview transcripts, informal conversations and observations along-with other documents (annual and CSR reports, presentation, screenshots from websites etc.) were uploaded in the software under folders named “Interviews” “Observations and Informal Conversations” and “Secondary Data”. Each document was given a code name. The data was then classified and coded into three separate groups (called ‘cases’ in NVIVO), one for TechIT, one for BuildCom and one containing all the field interviews to allow for inter and intra group analysis at a later stage. See figure 3-7.

Cases	
Name	
BuildCom	
TechIT	
Extra Interviews	

Figure 3-7: Groupings in NVIVO

Interview transcripts contained in the three groups were again segregated into seven further groups (CSR Managers, Leadership, General Managers, Beneficiaries, NGOs and Partners, CSR Heads and Employees & Volunteers)

based on the organisational position of the participants. See figure 3-8. Such groupings within the NVIVO software project helped in analysing what was said during interviews about a particular topic of interest among the different sub-groups (eg. among CSR Managers and Leadership at TechIT), in between the same sub-groups between the two cases (eg. between leadership of BuildCom and TechIT) and also grouped with field interviews (eg. how was a particular point represented among all the NGO and implementation partners in the three groups) during later analysis.

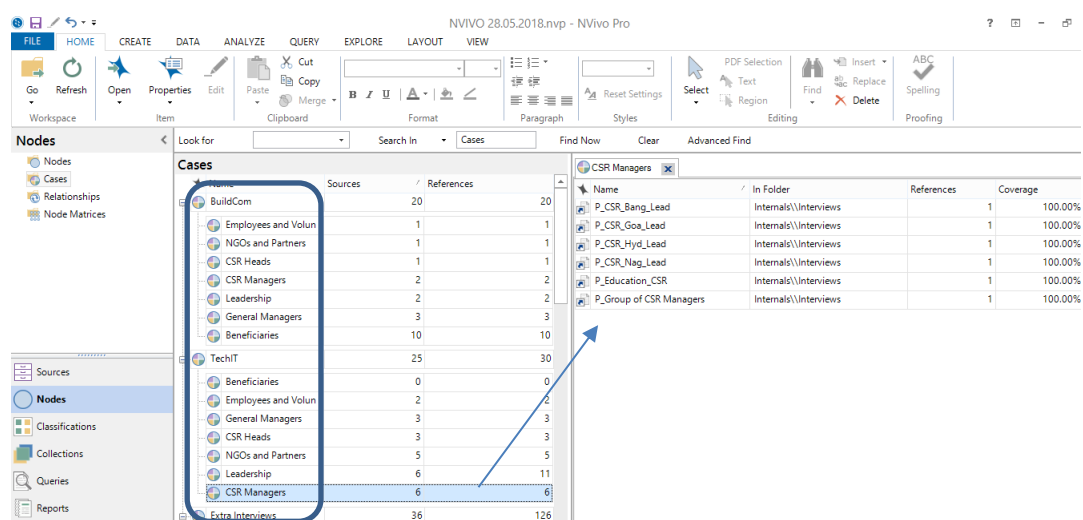


Figure 3-8: Segregation of data in seven further groups in NVIVO

All interview transcripts and observational data were thematically coded in the first round based on their content. Codes were assigned to passages discussing a particular theme, and since more than one theme could be relevant for a given passage, all relevant codes were assigned to it. In the NVIVO software, 'Coding stripes' on the right represented the codes assigned to the data. See figure 3-9.

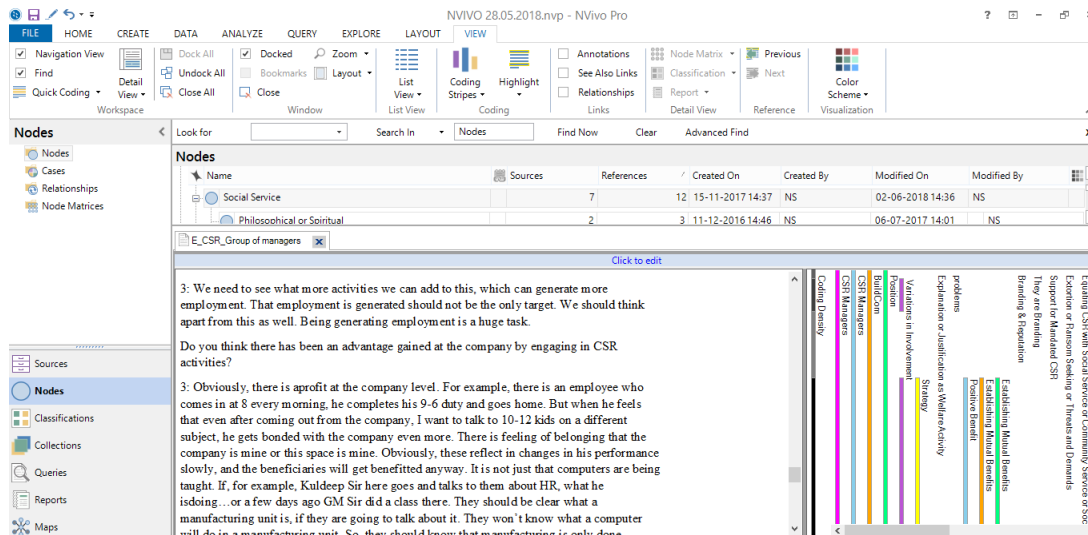


Figure 3-9: Coding Strips

This generated a large number of codes. 'Nodes' in the NVIVO package represented such codes. Such nodes can be observed in figure 3-10.

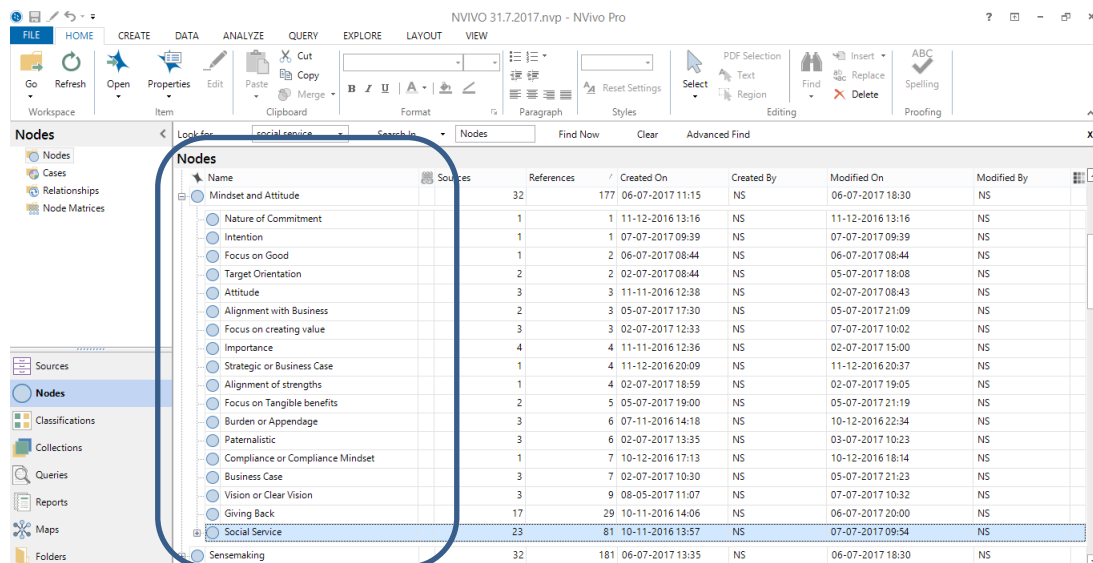


Figure 3-10: 'Nodes' representing codes in NVIVO

Every time a similar theme was mentioned in the data, it was recorded under the same node (or code) and adjustments were made to the label if and when it was necessary. The categorization (Spiggle, 1994) of the data was thus continuously carried out throughout all the transcripts, and a constant comparison analysis was conducted using NVIVO. From these patterns, similar nodes were then clustered together to create smaller number of

condensed nodes representing themes or patterns. Such nodes were then merged into larger and more abstract themes and ideas during the process of abstraction (Spiggle, 1994). The interrelationships between such thematic nodes with each other then helped in the construction of higher level theory development (Miles, Huberman, Saldana, 2014). See Figure 3-11.

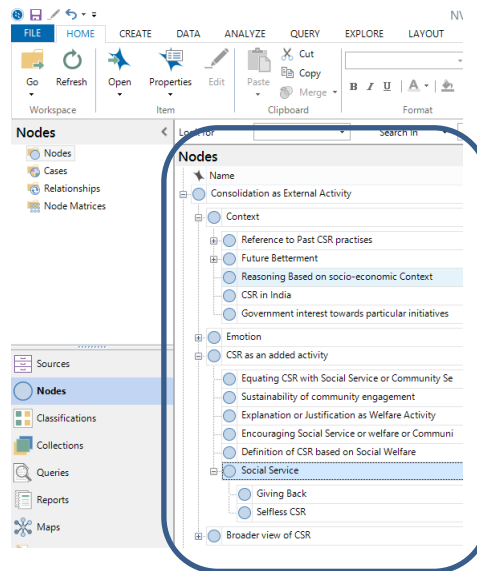


Figure 3-11: Nodes Representing themes or patterns formed through clustering of initial nodes.

The search and query facilities in NVIVO were used to interrogate the data on many occasions. This kind of interrogation proved important for gaining an overall impression of the data that was being analysed, and for validating some of the researcher’s own impressions about the data (Welsh, 2002). See figure 3-12 for an example of a search query that was used to locate the occurrences of the phrase “social service” in the data.

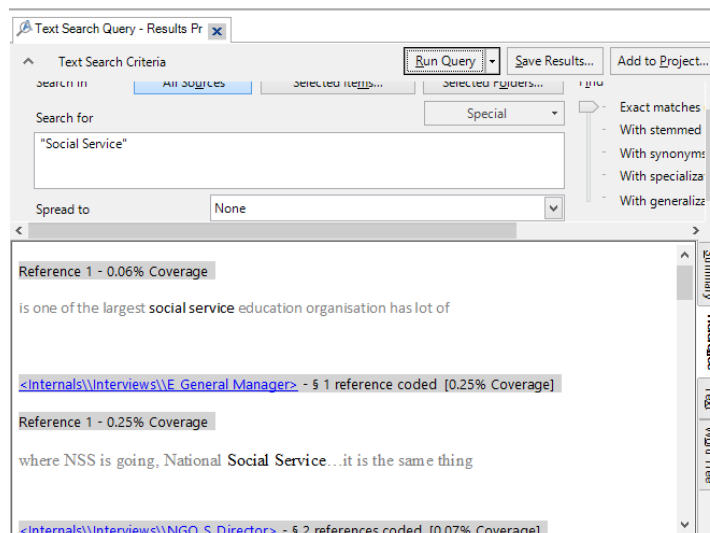


Figure 3-12: Search for the term 'Social Service' in the data

The overall text and context surrounding the thematic data was considered while comparing different codes (nodes in NVIVO). Nodes were given descriptions which reflected their content types. See figure 3-13.

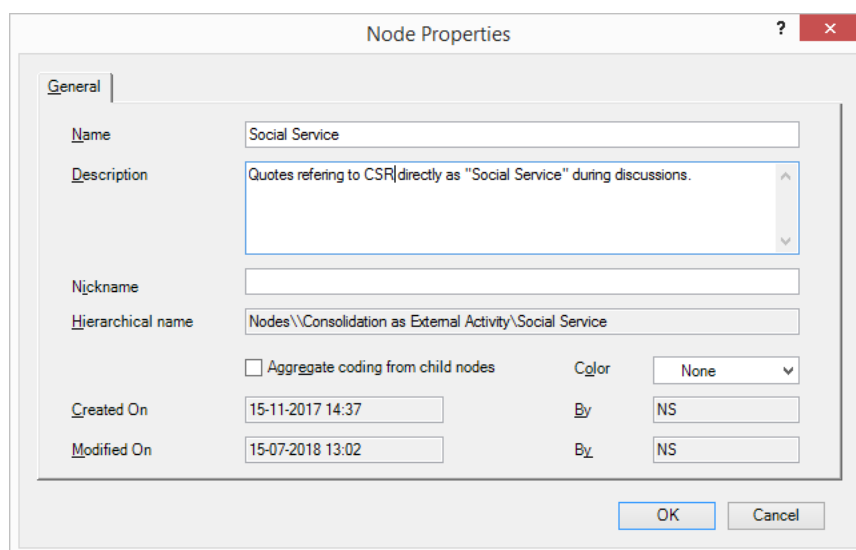


Figure 3-13: Description depicting content type

To provide an instance of how analysis proceeded, an example of a node called “Social Service” is considered here. This node can be observed in Figure 3-10 (which is a screenshot of analysis in one of the initial coding rounds). This node represents quotes in the data that have mentioned the term “Social Service”. After coding several initial transcripts that mentioned this

phrase, a literature review was carried out to understand this characterisation of CSR as “Social Service”. This review explored historic ties of CSR with social welfare or service (mainly in the Indian context). Some literature by, for example, Jamali and Mirshak (2007) revealed how especially in developing countries, CSR is viewed by corporates as a way of alleviating socio-economic problems rather than taking a broader view of CSR. The node “Social Service” was thus explored, and in the next iteration of data analysis, it was grouped along-with other nodes that characterise CSR as a non-core externally oriented welfare activity for businesses. See Figure 3-11. In the final findings, the theme “Social Service” features as part of the discussion relating to how CSR has been consolidated as an external welfare activity after the law.

In some cases, as per the requirements of the analysis, sub-nodes were created which could be analysed further. The ‘matrix query’ function was especially useful when comparisons were to be made in-between sub-themes so as to understand how they were represented in the data. See figure 3-14. The figure displays a matrix coding query for a node called “Branding and Reputation”. This node has three sub-nodes namely “They are branding”, “They don’t want to or need to brand” and “They should use it to brand”. The matrix query function in this case was used to find how many participants of each stakeholder group (CSR Managers, CSR Heads, Leadership, Beneficiaries, Employees and Volunteers, NGOs and Partners and General Managers) made references to each of these nodes. On clicking on any cell belonging to the matrix created through the query, for example, the actual statements that had been made by each of these participants belonging to the three nodes were made visible. (please see next page for diagram)

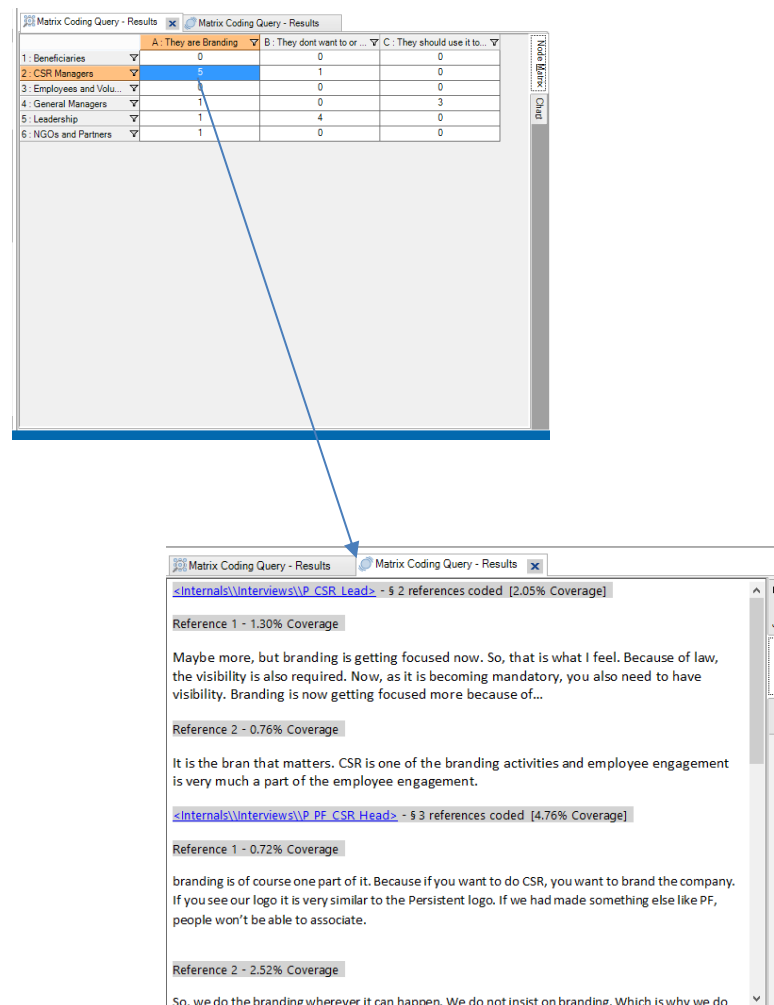


Figure 3-14: Matrix coding query

Thus, thematic analysis was used to conduct comparisons, dimensionalize and integrate the data. Iteration and refutation were a part of the ongoing process of data analysis. All of the interview, informal conversation and observational data therefore went through this process and the resulting conclusions that were drawn are based on this constant comparison analysis.

3.14. Conclusion

This chapter therefore highlighted the following key points with regards to the research philosophy, methodology and data analysis techniques that have been used for this research:

1. An interpretivist approach.

This research lies in the interpretivist paradigm. This research has sought to study how people come to understand their world in the context of mandated CSR. It has sought to determine how people attach meanings to certain phenomenon, their understandings of the situation and their resultant behaviour. Hence for this research, entering the social world of the people being studied and understanding their world from their viewpoint has been crucial (Saunders, Lewis and Thornhill, 2007), thus making the interpretivist approach appropriate for investigating this situation.

2. Exploratory and Inductive research.

The focus of this research has been on an unfolding empirical phenomenon. It started out with the aim of understanding the worldview of the people in a novel situation, triggered by a CSR law. Based on the inherent complexity of this situation, the nature of research objectives and the dearth of literature in this area, a flexible and adaptable exploratory and bottom-up inductive research approach has been undertaken for gathering data.

3. A multiple method qualitative study.

Two different qualitative research approaches have been employed for this research so as to allow for a more informed and holistic picture of the mandated CSR context to be uncovered. These have included field interviews and two case studies. The two cases have helped understand “how” CSR is practised, made sense of and implemented at an organisation level. They have aided in developing rich insights through observing relationships between the different CSR actors, studying their actions and by talking to a variety of people within the organisations associated with CSR. The secondary data collected in relation to the cases in the form of annual reports, presentations and other supporting material have also helped corroborate insights. Finally, field interviews have

supported the case-study data by providing additional inputs and external understandings from a variety of sources and perspectives, thus providing more depth and support to the final findings.

4. Research Validity and Reliability.

Various steps have been undertaken to increase the validity and reliability of the research and the research findings. These have included use of multiple methods, along-with the use of appropriate ways and means of addressing situations in-order to minimise bias. Most interviews have been recorded and transcribed, and notes and jottings have helped the researcher maintain reflexivity.

5. Consideration of Ethics

The potential harms from this research were anticipated and noted at the very beginning of the study and have been continuously referred to throughout the research. Possible effects of this research on participants, and especially vulnerable participants have been considered and minimised. Data storage and handling has been done in a systematic way by keeping data safe on locked computers and cabinets with minimised access.

6. Analysis

Using analysis procedures recommended by Miles and Huberman (1984), a constant comparative approach has been used for analysing data. Repeated comparisons were made of the collected data with a nascent model that developed through the analysis (Walsh and Bartunek, 2011). Considering the large amount of data gathered, data was mainly analysed using the NVIVO software. However, in-order to achieve best results, electronic and manual methods were used in combination for data analysis.

The next chapter discusses the first set of findings of this study.

Chapter 4 Indian Companies Act, 2013, s.135 (‘Corporate Social Responsibility’)

4.1. Purpose and Aims

The previous chapter discussed the research philosophy for this study, the methodology used to conduct it, and the analysis techniques used. It discussed the interpretivist philosophical approach underpinning this research, where entering the social world of the people being studied and understanding their world from their viewpoint has been crucial (Saunders, Lewis and Thornhill, 2007). Since this research aims at uncovering a novel and understudied phenomenon, a flexible and adaptable exploratory and bottom-up inductive research approach was used for gathering data. The data was gathered using a multiple-methods approach consisting of multiple (two) case-studies and a number of field interviews.

This chapter is the first of the findings chapters and is based specifically on the findings about the Indian CSR law. It aims to discuss the CSR law in detail and also aims to discuss the main components of the policy background in which the CSR law was implemented in India. It is the detailed depiction of the law and the macro level policy related factors that have influenced sensemaking about mandated CSR.

The CSR law (under the Company’s Act 2013) was implemented in India in 2014, and India is one of the only two countries in the world (the other being Mauritius) with a requirement for some firms to spend a percentage of their net profits on socially responsible activities (as have been designed by law), and if not, explain why they do not (Dharmapala and Khanna, 2016, pg. 6). Thus, the law is a unique experiment in corporate social responsibility, with CSR being mandated as a whole by law.

This chapter reviews the CSR law and provides a brief history to discuss the grounds on which the CSR law was based. It discusses the background context of the law followed by a discussion about the rationale behind it, as

promoted by the law makers. It then, concludes with an overview of reactions to its enforcement and implementation.

This chapter therefore aims to:

1. Use secondary data sources to discuss the background of the CSR law,
2. Discuss the rationale behind the law as promoted by the law makers,
3. Reveal the details and components of the law and
4. Discuss reactions to the presence of the law.

4.2. Background of the Indian CSR Law

CSR in the India was predominantly associated with sporadic voluntary activities in the past, mainly involving philanthropic donations (Prieto-Carrón et al., 2006).

The Indian government however appears to have taken an active interest in CSR in the last few years, and there has therefore been an increasing focus on and development of different guidelines and policies aiming at generation of greater corporate involvement in socially responsible behaviours. The CSR law is a part of this government level effort. The process leading up to the addition of the CSR clause in the Indian Companies Act (2013) is described in this section. This process provides a very interesting view of how sense was made of CSR by the lawmakers and how it was enacted in the CSR legislation.

To start with, in a speech by the Prime Minister Manmohan Singh in 2007 at the General Assembly of the Confederation of Indian Industries (CII), he urged India's businesses to act in more socially responsible ways (Prime Minister's Office, 2007). He invited businesses to be "partner[s] in making ours a more humane and just society" (Prime Minister's Office, 2007), and outlined a Partnership for Inclusive Growth consisting of ten guiding principles (as below) demonstrating a very broad articulation of business responsibilities.

First, have a healthy respect for your workers and invest in their welfare.

Two, corporate social responsibility must not be defined by tax planning strategies alone.

Three, industry must be pro-active in offering employment to the less privileged, at all levels of the job ladder.

Four, resist excessive remuneration to promoters and senior executives and discourage conspicuous consumption.

Six, desist from non-competitive behaviour. The operation of cartels by groups of companies to keep prices high must end.

Seven, invest in environment-friendly technologies.

Eight, promote enterprise and innovation, within your firms and outside.

Nine, fight corruption at all levels.

Ten, promote socially responsible media and finance socially responsible advertising. (Prime Minister's Office, 2007)

Following on with this, the Union Cabinet mandated the Ministry of Corporate Affairs (MCA) to explore CSR related policy options, and in 2009, the government introduced the Corporate Social Responsibility Voluntary Guidelines (Krichewsky, 2017, pg. 14).

Reflecting back on the rationale of the Corporate Social Responsibility voluntary guidelines of 2009, a High-Level Committee report mentions that “[i]n line with the national endeavour for inclusive growth, CSR was conceived as an instrument for integrating social, environmental and human developmental concerns in the entire value chain of the corporate business” (Ministry of Corporate Affairs, 2015, pg.1). The report reveals that the Voluntary guidelines on Corporate Social Responsibility were therefore issued by the Indian Ministry of Corporate Affairs in 2009 as a “first step towards mainstreaming the concept of Business Responsibilities” (pg. 2).

These voluntary guidelines, however did not yield much effect, since CSR activity was in no way more prevalent among Indian firms even after the 2009 guidelines (Dharmapala and Khanna, 2016).

An interview participant also touched upon this point during an interview.

“I presume that you must be knowing all the government documents like the Voluntary guidelines.. So that was the first step, wherein the government tried to convince the corporates.. the 10 points that they developed.. But apart from the few big PSUs [Public Sector Units] and.. [a] few big corporates, most of the middle cap and a few even big corporates, I would say, were not voluntarily coming forward” (BuildCom_CSR_Head)

The Corporate Social Responsibility Voluntary Guidelines (2009) were later reviewed and revised, and in 2011 the government released the National Voluntary Guidelines for Social, Environmental and Economic Responsibilities of Business (NVGs).

The NVGs were developed by the MCA in collaboration with the German international co-operation agency called Gesellschaft für Internationale Zusammenarbeit (GIZ), and according to Krichewsky (2017), “at least partly as a result of the involvement of the GIZ, the initial policy goals of this initiative were informed by the global mainstream CSR discourse of the 2000s” (pg. 18). These National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business 2011 (NVGs) are therefore a set of nine principles which are closely connected with core business operations.

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the wellbeing of all employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Principle 5: Businesses should respect and promote human rights

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner (Ministry of Corporate Affairs, 2011)

The principals talk about ethics, transparency and accountability, life cycle and sustainability of goods and services, environment protection, wellbeing of employees, corporate respectful and responsible behaviour, human rights and inclusive and equitable development (Ministry of Corporate Affairs, 2015, pg.2). The NVGs therefore urge integration and embedding of the guideline's principles into the "core business processes" of the companies (Ministry of Corporate Affairs 2011, pg. 27), and represent a broad conceptualisation of business responsibilities and CSR.

Following the drafting of the NVGs, there was an attempt by the drafting committee of the NVGs to introduce a mandatory CSR reporting framework (through the MCA) for large companies that would be based on the NVG guidelines. However, this attempt failed (Krichewsky, 2017). A year later, the Securities and Exchange Board of India (SEBI), however, made it mandatory for the top hundred listed companies by market capitalization to report on their social responsibility annually, based on the NVG framework.

While the NVGs with their self-regulatory approach were under development however, since 2009 "[c]ore institutions of India's Political system.. were already engaged in a different process of CSR policy-making, which ended up overshadowing the NVGs" (Krichewsky, 2017, pg. 21) and which resulted in the mandatory CSR law (or section 135 of Company's Act 2013).

Krichewsky (2017) discusses the genesis of the law in a detailed discussion. He mentions how the origin of the law can be traced back to the mid-2000s when the Central Public-Sector Enterprises or CPSEs (CPSEs are owned by the central government) were beginning to be asked by the government to spend 2% of their profits on CSR activities. When the CPSEs found out that

they would soon be mandated by the government to spend 2% on CSR, they asked that the government impose such conditions on their private competitors as well. This idea was picked up by key political actors (the Union cabinet and leaders of the leading political party), who recommended that the government added a CSR clause in the company's Act. This idea was appreciated by most other involved political actors, (also considering other political considerations, although there existed some opposition from the drafters of the NVGs and some other business actors). After a series of deliberations about its nature (about whether it should be comply-or-explain, whether it should be 2% of profits or more etc.) and contents, in August 2013, the mandatory CSR clause became a part of the company's act making it a part of the law. This law mandates firms fitting in certain financial criteria to spend 2% of their profits on CSR activities (explained in detail in section 4.4).

It is interesting to note that the High-level Committee report of 2015 suggests that the eighth principal of the NVGs which urges businesses to undertake "inclusive and equitable growth" in-line with national development priorities (including community development initiatives and strategic CSR based on the shared value concept) (Ministry of Corporate Affairs, 2015, pg.3) was translated into the Section 135 of the Companies Act 2013 for mandatory Corporate Social Responsibility, bringing it into law.

4.2.1. The CSR Law

While the NVGs are broad voluntary guidelines, section 135's CSR requirements lie on the business-constraining end of the spectrum of government intervention with their spend criteria and governance requirement. In stark contrast with the NVGs, the CSR Rules (2014) pertaining to the law (see section 4.4.1) state that CSR is "excluding activities undertaken in pursuance of [a company's] normal course of business", and that "the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company" (pg.25). The section 135 thus associates CSR with the redistribution of profit through the funding of development-related

activities that are external to core business operations (Krichewsky, 2017), thus institutionalising a view of CSR which is deeply entrenched in the Indian philanthropic approach while overlooking the responsibility attributed to companies themselves for the genesis of public problems (Krichewsky, 2017, pg. 11).

Considering this policy background surrounding CSR, MNC_CONS_CSR_Head in an interview suggested how the section 135 has diluted the sustainability concept in the country that was brought forward by the NVGs.

“But when it comes to CSR in terms of India, actually we were also trying to understand the CSR in the context of the survival of business sustainability when we had the National Voluntary guidelines on social, environmental and economic responsibility of the business. It's a 2011 document probably, and there in you also had some business responsibility reporting of SEBI for the listed companies. So actually it was moving in that direction. But this.. So we were .. at-least [were] talking in terms of our framework of business sustainability, but with this companies act coming into.. place, the .. [talk?] about sustainability has little bit diluted. I am using this correctly word 'diluted' because maybe you know going forward, we may look at CSR within the framework of sustainability, but as of now this has got diluted, and the focus is more on the 2% spend and the CSR reporting.” (MNC_CONS_CSR_Head).

It therefore appears that until the introduction of the CSR law, the CSR policy making process was moving towards encouragement of voluntary business responsible behaviour by encouraging firms to engage in activities that are not merely associated with redistribution of profits for external social welfare, but which aimed at addressing broader sustainability concerns. The NVGs took a globally oriented and business related view of CSR and business responsibility. The CSR law has however narrowed the business responsibility continuum by focusing mainly on external welfare.

4.3. Rationale and Purpose behind the the law as suggested by the Law Makers

The High-Level Committee Report of 2015 suggests that the rationale behind the CSR law has been to generate an enabling environment for corporates to perform CSR, while contributing to the development goals of the nation. The aim has not been to monitor what companies do, the aim has also not been to create mere funds for addressing socio-economic and development concerns facing the nation since the government could have easily levied a tax to gather such funds. The rationale has rather been to make companies perform their social responsibility and use their management skills and innovative ideas to generate efficient and better CSR outcomes for the delivery of public goods and welfare (pg. 26).

Sachin Pilot, the main driving force behind the CSR law (Google+Hangout with Shri Sachin Pilot on CSR, 2014), provided a detailed discussion about the rationale behind the law and its purpose in a google-hangout session. The purpose behind the formulation and implementation of this law according to him has been to bring about responsible and sustainable corporate behaviour, positive social change, encouragement of young people and promotion of CSR as a competitive and fun activity, among other positive outcomes. It has meant to supplement existing efforts and to make sure that the citizens believe that apart from bottom-line profits, firms are also concerned about social welfare.

Mr. Pilot clarified that the 2% spend towards CSR (as will be discussed in section 4.4) has not been intended as any form of tax (as also suggested by the High-Level Committee report), and this money would primarily be considered as a company's own money. Thus, the companies would have discretion over their CSR related decisions and would be allowed to make use of their own resources, agencies etc. in the best ways possible. He mentioned that the law has been based on self-reporting, 'no command and control' approach has been supported (although as will be discussed in section 4.4, non-compliance with governance and spend requirements combined with non-

reporting could generate penalties and sanctions), and no government certification was going to be required.

Another presentation made by Dr. Bhaskar Chatterjee (Chatterjee, 2013a), the DG and CEO of the Indian Institute of Corporate Affairs (2013) mentions three key points. First, it mentions how the CSR bill (which later became law) had been envisioned to create an enabling environment for corporates and to exploit and channel their core competencies. Such a law was therefore intended to promote and facilitate a better connection between businesses and their communities, and facilitate better thought out, longer-term strategies for addressing the most persistent social, economic and environmental problems facing the nation.

Second, through the presentation, Chatterjee (2013a) also describes how CSR has been intended to be used as a platform for synergizing partnerships and collaborations among different sectors including corporates, the government and NGOs where corporates could provide management process expertise, strategic approach, flexibility in investing in social causes; the government could provide reach, infrastructure and manpower and NGOs could provide ground level expertise and actual on-ground implementation. This could aid in addressing socio-economic and environment related challenges and accomplish sustainable development by making CSR an integral part of the business process. Tackling such challenges alone would not be possible for the government (Chatterjee, 2013a).

Thirdly, the presentation states how the CSR provisions provide flexibility for businesses to 'strategize' CSR in-order to foster corporate creativity by galvanizing their efforts, rather than providing a very constraining regulatory structure. This presentation therefore encourages corporates to engage in a combined effort for greater impact with demonstrable and measurable results.

Highlighting a development-centric agenda, the official narrative concerning the law therefore encourages corporates to look for innovative ways of engaging with external stakeholders and for creating value. Interestingly

although many Indian businesses have had some involvement in CSR in the past, through a national level policy framework, the government wishes to co-ordinate efforts in-order to club individual efforts for greater impact (EY and PHD, 2013). Through various forums, by reiterating how inclusive growth makes good business sense and how it also promotes their own credibility, the government is encouraging corporates to join hands through CSR in a quest for socio-economic development (EY and PHD, 2013).

Through this discussion, the purpose behind implementation of the CSR law therefore appears to be two-fold. Apart from increasing CSR uptake and activity in the country along-with improving CSR governance (see section 4.4 for governance requirements), the purpose of the law appears to be to encourage more corporate engagement with the needs of the society.

Details of the section 135 of the Companies Act 2013 on CSR have been discussed next.

4.4. SECTION 135 – CSR Law

(based on the Company's Act 2013, the section 135 document and a presentation by Dr. Bhaskar Chatterjee (Chatterjee, 2013b), DG and CEO, Indian Institute of Corporate Affairs (2013))

According to the CSR law, every company having a net worth of rupees five hundred crore (INR 5 billion) or more (~USD 77 million or more), or a turnover of rupees one thousand crore (INR 10 billion) or more (~USD 154 million or more), or a net profit of rupees five crore (INR 50 million) or more (~USD 770,000 or more) during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. Such a **company will be expected to spend a prescribed 2% of their average net profit of the last 3 years on CSR activities**. See appendix 2 for copy of section 135 of the Indian Companies Act.

The **Corporate Social Responsibility Committee** will be responsible for formulating and recommending to the Board, a **Corporate Social Responsibility Policy** which indicates the CSR activities that need to be undertaken by the company as specified under the Schedule VII of the Act (listed on next page). It will have to recommend the amount of expenditure that will need to be incurred on such CSR activities, and also **monitor** the Corporate Social Responsibility Policy of the company from time to time.

The Board of the company, after taking into account the recommendations made by the Corporate Social Responsibility Committee, will have the responsibility to approve the Corporate Social Responsibility Policy for the company and **disclose the contents of such a Policy (which includes the list of projects to be undertaken, their time-frame and procedures of execution) in their report and also place it on the company's website, if any**. The board will need to ensure that the company spends its funds according to its Corporate Social Responsibility Policy, and also that the activities included in the Corporate Social Responsibility Policy of the company are undertaken by the company.

If a company fails to spend on CSR activities, it will be the responsibility of the Board of the company to **specify the reasons for not spending the amount in its Board report**. The law is therefore comply-or-explain in nature.

It is noteworthy though that the “comply-or-explain” nature of the law means that a penalty is only applied if 2% of the net profits are not spent on CSR and a reasonable explanation is also not provided about it. However, the other requirements concerning formation of a CSR committee, disclosure of such a committee, creation of the CSR policy and its disclosure, are mandatory (Dharmapala and Khanna, 2016). Failure of meeting these requirements could trigger penalties regardless of whether or what explanation is provided. In case of non-compliance, an INR 10,000 penalty would be levied on the firm and every officer of the firm who violates Section 135. Additionally, an INR 1,000 penalty will be levied, per day, if the violation continues (Dharmapala and Khanna, 2016).

Any company, including subsidiaries and foreign companies having their branch office or project office in India, which fulfill the criteria specified in the Act, need to comply with the provisions of section 135.

The broad set of themes (as per Schedule VII of the Act) under which CSR activities may be included under CSR by the companies include:

1. Eradicating extreme hunger and poverty;
2. Promotion of education;
3. Promoting gender equality and empowering women;
4. Reducing child mortality and improving maternal health;
5. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
6. Ensuring environmental sustainability;
7. Employment enhancing vocational skills;
8. Social business projects;
9. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
10. Such other matters as may be prescribed.

As can be noted, the set of themes is broad and covers a large range of areas. It therefore provides companies with a large space and discretion over directing their CSR funds (Dharmapala and Khanna, 2016).

4.4.1. Mode of CSR implementation expected by the law (CSR Rules 2014):

In accordance with the CSR Rules (2014), activities undertaken in pursuance of the normal course of business of a company will not be considered as CSR, and the CSR activities need to be undertaken in the form of projects or programmes. Thus, CSR activities need to be in project form with need-based

assessments or baseline surveys, they must have a clearly identified time frame, a specific annual financial allocation, clearly identified milestones, clearly identified and measurable objectives and goals, robust periodic review and internal monitoring and evaluation. Pure philanthropy or donations will not count as CSR.

Programmes or projects must be within India, and the companies need to give preference to the local areas around where they operate for their CSR activity.

Projects or programmes that benefit only employees of the companies and their families shall not be considered as CSR activities. Companies, through their CSR can complement or supplement government initiatives, however funds deposited in government accounts will not be counted as CSR. Contribution of any amount directly or indirectly to any political party shall also not be considered as a CSR activity.

Also, any surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of a company.

4.4.2. Rules relating to Foundations and trusts (Based on CSR Rules 2014):

The law states that a company may set up an organisation which is a registered trust or a registered society or a company established by them to undertake its CSR activities. Thus, it may undertake CSR activities through, for example, a foundation, as have many companies after the law. In case this approach is taken, the company has to specify the project or programme that is undertaken through such an entity in accordance with its CSR Policy, specify how such funds will be utilized, and also state the monitoring and reporting mechanisms.

4.4.3. CSR Implementing Agencies (Based on CSR Rules 2014):

Although corporates are expected to fund projects from their own funds, they may implement such projects through implementing partners or agencies such

as NGOs, if such agencies have an established track record of three years or more in undertaking similar projects or programmes. In case this approach is taken, the company has to specify the project or programme that is undertaken through such an entity (eg. an NGO), how such funds will be utilized, and also state the monitoring and reporting mechanisms.

Also, companies may build their own CSR capacity or that of their Implementing agencies, but such expenditure shall not exceed five percent of their total CSR expenditure.

4.4.4. Collaboration (Based on CSR Rules 2014):

A company may also collaborate with other companies for undertaking their CSR projects or programmes, however, this can only be done if the CSR committees of the different companies involved are in a position to report separately on such projects or programs in accordance with the CSR rules.

4.5. High Level Committee Report

In 2015, following the enactment of the law in 2014, the government appointed a high-level committee to suggest measures for improved monitoring of the implementation of the Corporate Social Responsibility policy. That same year, they created a report to suggest their recommendations in-order to make improvements to the CSR law. This was in-order to remove difficulties, complexities and ambiguities associated with the law. This section discusses some important suggestions included in this High-level Committee report. It is based on information from the High-level committee report (2015) and a website which details all the points made in the report (The CSR Practice, 2015).

The report suggested that all the information relating to CSR implementation including spend, activities, geographical areas covered etc., as reported by the Companies in their annual disclosures should be compiled and placed in the

public domain by the government. Such a website was therefore set up by the Government (National CSR Portal: <https://csr.gov.in/CSR/>)

The report suggested that there should be no action taken against any companies for non-compliance with the CSR provisions (eg. committee formation) for at-least the initial few years of the law's implementation. This was in-order to provide 'all stakeholders' with a learning period and a period to build capacity. Explanations would however have to be placed in the public domain about CSR expenditure with regards to the 2% average net profits.

The report also suggested that larger companies (with CSR budgets of Rs. 5 crore (INR 50 million) or more) could be mandated to follow all the procedures and conditions laid out in the law. However, smaller companies (with less than Rs. 5 crore of CSR budget) could be exempted from some of the requirements such as they may not need to undertake CSR programs in project/programme mode. This would alleviate technical difficulties faced by smaller firms in spending their small pots of CSR funds. Such concerns will be touched upon in the next few chapters. It is unclear though however whether the Government has taken any steps with regards to this recommendation.

As can be found in the Schedule VII of the Act, point number 9 of the list of activities in the Schedule allows companies to make a contribution to the Prime Minister's Fund. With regards to this, the report suggested uniformity of tax treatment for CSR expenditures on all eligible activities, in-order to avoid temptation for companies to direct parts of their CSR budget to activities like the Prime Minister's fund which have tax benefits while others do not. This is since the intention of the law is to inculcate "a sense of involvement and responsibility in the corporate sector for social development by utilizing not just their funds, but also their managerial skills" and "[a] Board's decision should be guided by compelling community social needs instead of tax saving implications" (The CSR Practice, 2015).

The report also suggested that retaining its original stance, the government may not engage any external agencies for monitoring the quality and

effectiveness of CSR expenditure made by the companies, since the companies may do so if they desire. Thus, it suggested that there is no requirement for any external monitoring mechanisms and companies are capable of doing the monitoring themselves.

It also suggested that the Government should set up awards for companies to incentivize CSR activities. This recommendation appears to have been incorporated through setting up of several CSR awards for incentivizing CSR efforts (National CSR Awards: <https://csr.gov.in/CSR/about-us-awards.php>).

Some of the recommendations of the high level committee have therefore been incorporated by the government while the status of others is unclear.

4.6. Sensemaking about the CSR Mandate by the different Interview Participants

When enquired into what the interview participants thought about the presence of the CSR mandate, they presented well thought-out responses and evaluations of the mandated CSR scenario. It was therefore evident that the law with its governance and spend requirements had indeed triggered sensemaking among the interview participants.

“[S]ee, till NVGs and SEBI guidelines, it was basically about sustainability. And if you look at the CSR discussions globally, it is about managing the environmental and social impacts. Largely. And about the governance and about the governance issues and the responsibility issues. So that's it. But.. I think that.. India being underdeveloped, developing, with.. huge social problems with respect to literacy, poverty, hunger, girls education, so we have our own big checklist of social issues. So I think that if you look at the CSR law, it has a preamble which says that whatever the new law has been enacted.. it will help to improve the governance, sustainability of the business. So that is kind of a preamble you know, it has not completely.. or it has not omitted [things relating to sustainability of business]. The guiding visions is that, despite two percent it will overall [be].. within the framework of sustainability and business governance and [the] NVG guidelines. But also, the government is saying that the government wanted to mobilise resources, resources not only in-terms of the financial resources but also in terms of the business core competencies, core competencies in terms of the project

management, the business innovation in the field of social innovation, and many such stuffs. And this is where looking at our own issues, the government wants that corporates must contribute financial resources, as well as they must bring their core competencies in terms of responding to some of the social issues. And this is where they restricted or the focus is more on the 2% and schedule VII. That is on the issue[s]. And you spend the money on these issue[s].”(MNC_CONS_CSR_Head).

MNC_CONS_CSR_Head therefore suggested that the CSR law has been formulated considering the development needs of the country, thus focusing on development aspects which it could address using corporate funds and core competencies. However the larger framework within which it exists, according to him, remains rooted in the desire of fostering business sustainability and better governance.

According to BuildCom_CSR_Head, the law came into being because of the government's failed attempts at making corporates engage in more CSR. According to him, mandating CSR was something that was required.

“because, in the initial 6-7 years, if you see that this bill passed in 2014, your voluntary guidelines came in 2008[9], it took almost six years for the government to use every mean to convince the corporates to take this voluntarily. But.. when they realised that ok they are not able [to], let's put one section, even if government is not very critical, if you have gone through the recent circulation and the recent high level [committee report].. there was a high level committee by the government about CSR. And they came up with the observation that, ok, the CSR will I think 3-4 years government should not be very critical about the law. Then .. after 4-5 years they can start that how they can evolve the monitoring processes, reporting processes.. they may become little more critical whether people are complying or not.. They never wanted to make this mandatory, but they [were] compelled to make this mandatory, again they are not very critical on the compliance part.. still they are not critical, I expect that next 3-4 years would not be a critical unless and until the few people who are not complying with the rule, would not again compel them, force them to be critical. So.. I think mandatory requirement, means making it mandatory was required.” (BuildCom_CSR_Head)

While discussing the mandate, Consultant_G_CSR mentioned how he thought that corporates entering the development arena, encouraged by the law, would help reduce corruption inherent in the government machinery. He believed that

this could help address the social-economic development concerns of the nation.

"But once it is a tax, it goes to the government and you know the difference, if government spends 100 rupees, 20 rupees only will reach the beneficiaries. But if the corporate sector does it, 80 will reach the beneficiaries and 20.. somehow they cannot reach. There will be implementation. But there will be [a] huge difference. Therefore, the government wants corporate[s] to get involved. That's actually the fundamental difference. And the government has their own red-tapism plus corruption, delays.. [a] 100 rupees project now becomes 500 [rupees] in the next two three years because of the delay. So that is everywhere. Plus the corruption will be there.."
(Consultant_G_CSR)

Some others suggested how they thought forcing companies to contribute towards and engage in social causes was indeed a great idea, since it would generate more corporate will to engage in such activities.

"It is a good idea in general. This 'bhawana' [feeling] is not always present in people. So forcefully should be done. There are lots of people who need help. So very much necessary. One more percent could be increased by the government"
(TechIT_Admin_Lead)

"..unfortunately, when it is voluntary, people do not concentrate on that. That's why government has to come with mandatory." (TechIT_CS_Head)

"Ok, well I think when it comes to social responsibility, it is a responsibility, it should not be an obligation. But you know when it comes to profit making, people are really greedy. They are earning, they want to earn more. They are earning more, they want to earn even more. So this mandate has to come because you know India is a.. we say it is a developing country, but there is no such contribution from the growing corporate side. Because you just cannot depend on the Government to take India ahead of many other countries. So Corporate involvement was very very very important. And because of this mandate we are able to do something for the society. We are not dependant on the Government... we need a better education, right? This programme will be launched by the government in 2050 and this and that.. you know but corporate can work immediately on the ground level, without any interference from the Government or even the NGOs . So I really think that the corporate's role in CSR or in social development is very crucial, and I really support this 2% mandate." (TechIT_CSR_Nag_Lead)

Some like TechIT_Infra_Lead thought that such a mandate would help internalise the CSR concept in the corporate vocabulary and functioning.

"I will tell you. In some house[s], [the] grandfather does not like dog[s]. [The] [w]oman in [the] house said that don't bring dog at all, [otherwise] I shall go out. [However] [w]hen [a] dog is residing in the house, few days later all start loving the animal.... so it is like that. Thus, according to my opinion, if you force 10 persons, at least 4-5 persons start appreciating and liking that.." (TechIT_Infra_Lead)

".. it has to be mandated and maybe after 5 or 6 years down the line, when you are used to it, Government can probably withdraw the mandate and people can start acting on voluntary basis. But initially, in a country like India probably.. we have.. we need that kind of mechanism in place. At-least I am of the opinion." (TechIT_Vendor_Managt_Head)

It was therefore generally found that the CSR law was being considered and viewed as a form of positive development.

"Yes. It is a mandate. For example, as an individual you have to file your returns otherwise you will not get loans and all. Now, it is not about whether you like to file your returns or not. As a mandate you have to file it and you end up filing it. And, once, at [an] organisational level there is a mandate, once they know that they have to do it, organisations tend to do it properly. Many a time, when they get into [the] mood that, if it is a "mandate" lets hire a professional and get it done in proper way, let's look for branding etc." (TechIT_Emp_Engage_Head)

"According to me, even 2% is less. I am not blaming anyone. What I am saying is, in bigger companies this never happens.. In our books, if we have a profit of say, 2 crore rupees or more, only then it is mandatory for you to do CSR. We are saying, why keep the limit till 2 crore rupees? Why not 20 lakh rupees? Why shouldn't they do it? According to me, the industry is running because of people, because of the society. We are taking many things from it. In this case, 2% overall that the government has stipulated is OK, but it can be more than this. And other schemes that we have, like the government talks about insurance plans for five years and so on, you have tax benefit on that. If tax benefit is given on things like CSR as well, maybe the industry will come out more as well, and I think that more money will be diverted to CSR. So, its ok. This much at least should be there." (BuildCom_CSR_Group of managers)

"Ok, so I think it is necessary. Because if you do not have a law or if you do not have any consequences, or if you do not have a target, things don't happen. So yes, money

has to be spent.. Today I feel something, so I give some money. Tomorrow or in the next month my target is different, so I did not spend money, so this shouldn't be the case.. like if 2% spend has been mandated, then at any cost, they will have to spend [on CSR]." (NGO_TF_Fellow)

Some others however believed that the CSR law was a step taken too far.

"So my view is collect another 2% tax if that's what you want, and deploy this, that's again my personal view. I don't believe the CSR and all.. organisations are here to make money, that's what they should do, and not necessarily focus on social activities, if they want to, that is entirely their remit.. I am sure there will be some misuse.. there will be some .. of the entire thing.. ..it's a distraction which .. its good if the corporate culture allow this, but then most corporates should focus on their own .. and that is just my personal view.. but.. hopefully it will be useful and they can contribute in some way to the society." (MNC_Bank_General Manager)

"[I]n fact I was talking to some of the people, they say it will be better if we levy two percent tax and forget about it. We pay the tax, but don't ask us to get involved in the implementation, because that is our non-core activity [right] we don't have time to do that. Now again there is a question. There are two opinions. Some people say, ok let us do 2 percent CSR tax." (Consultant_G_CSR)

"We are paying all taxes, then why do we have to do it" (MNC_AL_CSR Manager cum Sr Manager)

Negative and mixed comments about the mandated CSR situation focused on how forced CSR could generate an additional burden on some companies. Some suggested that it could end up becoming a form of pure additional compliance for many, and companies would just find ways around the CSR requirements.

"But in general, to make it mandatory then sometimes.. people may find it difficult and they will have to find a rationale to do it or say that this is compliance. And the spirit is lost" (MNC_SUZ_CSR_Lead)

"I don't know what the thought process was. But, if you ask me very frankly, the government is shedding its own responsibility on corporates. They are already collecting taxes from corporates.. I feel the government is shedding its own responsibilities to load the corporates... you know by saying that this is an additional burden of 2 per cent for you all. And, why don't you help the underprivileged and the society. It is actually the

job of the government to do that. So.. they haven't though it through, they are forcing people to give funds, they are supposed to do that. Even public education for that sake, it's the government's job to actually make sure that public schools sustain, and their quality of education is maintained. But then suddenly taking their hands off.. So, I think the government needs to take few steps and get its act together to take its responsibility on its own. The corporates can pay 2 per cent tax extra. That will be bad, but still they won't mind that instead of CSR.. The government needs to rethink on these policies." (TechIT_Partner)

"I dont think so - because um - see the people who had the CSR departments earlier, they were set up with because they were serious. The companies were serious.. [about the] amount[s] they [were] spending and that's why they allocated a separate team to manage those funds - now - because it's a regulation, now companies would like, rather than setting up a department, they would say that, fine, it's just a part of pure compliance.. might as well will tie up with certain NGO which will do a job for us and we will just write a cheque on whatever [is] the annual basis for them to carry out that work. So I don't think the seriousness will go up, um.. the seriousness only from the perspective of compliance. So its compliance, since it is compliance.. like to have the paperwork done in a neat manner.. so that's how.. um.. the seriousness would mean for the companies which were not following the CSR earlier. Those companies which had anyway a CSR department earlier, they will just continue to do what they were doing." (TechIT_Partner_1)

Following a similar line of reasoning, MED_SMRU_Owner suggested how he was "put-off" by the CSR compulsion.

"So you know, from that perspective you are put off. Now yes, the spirit of the law is really nice. You know, you are doing something for the society and all that, but it's usually a put off. So.. I think you know.. the thing [concept] about CSR.. it used to be prestigious in the society, as a corporate to do certain things that were beyond.. so it was a prestige issue. And people used to look at.. even at an individual level, somebody is doing something, that is always appreciated. I think from that perspective, I feel that.. you know.. this kind of a positive.. feel good association of CSR.. I think that has diminished. From a businessman perspective.. really if you ask me from a that perspective, I feel that the charm of CSR, that I feel some of that shine has disappeared." (MED_SMRU_Owner)

In this line of reasoning, he also mentioned how the law would reduce motivation to engage in more CSR.

".. yeah. They have gone one step back. See another thing.., now if every company, you know I move in a certain business circle, for example, if I am altruistic, I have a slight bit of motivation, and I do something, you know somebody clicks a picture of me giving away something or we call somebody and we give something to somebody.. or do a programme with them, it comes into the picture, my friend calls me up 'I read about your thing in the papers, it was nice' you feel motivated, you feel nice. So next time, you have more motivation, to give away a little bit more than you did last time. Now you want to stand apart in the crowd. Right. So that motivation is self-sustaining. But now, each one of my friends is doing the same thing, so I don't have really.."(MED_SMRU_Owner)

The sensemaking triggered in the presence of the CSR law therefore appeared to have generated largely positive reactions. However, it also appeared to have generated some mixed opinions and negative reactions.

4.7. Final Thoughts and Conclusion

With its comply-or-explain nature, the Indian CSR law acts as a particular blended approach to CSR as discussed in chapter 2 with some strict mandatory components (reporting, governance procedures, spend requirements), yet also some voluntary components (choice of CSR projects and how CSR is actually conducted without external monitoring mechanisms assessing what is actually done and its impact). This CSR law, according to the government's narrative, aims at redressing the most persistent socio-economic and environmental problems facing the nation. The CSR rules therefore prescribe that companies undertake CSR activities beyond their normal course of business. The Indian CSR mandate therefore, in a way, urges companies to adopt the philanthropic level of Carroll's Pyramid of Corporate Social Responsibility (The CSR Practice, 2015).

The current form of the law thus specifies that firms have to conduct CSR activities such that they are external to core business operations. Interestingly, stricter penalties apply for failure of reporting than failure of spending in-case of non-compliance, as only a comply-or-explain clause exists. Also, there are no external monitoring mechanisms to assess actual involvement (beyond monetary terms) and impact. Through the sense that is made of it, it is

interesting to therefore find whether this law actually redresses some of the problems associated with voluntary CSR approaches, as have been discussed in the earlier chapter. It will be interesting to understand whether it improves CSR practice in any way. It will be interesting to find whether the law addresses and improves accountability of firms that are now faced with it. Alongside considering whether the law improves CSR practice, uptake and governance within firms, it will also be pertinent to understand whether the “development question” (Utting, 2005, pg.8) is addressed, in the sense whether it actually aids in the national development process by catering to the needs of the society as envisioned by the law makers.

As discussed in the last section of this chapter, while sensemaking about the presence of the law has generated some negative reactions, it has also largely generated some very positive opinions and reactions. People who view it in a positive light believe that it could aid in making more firms engage in CSR and redress some pressing societal concerns.

In conclusion, this chapter has discussed the CSR law in detail and has also discussed a few aspects of the policy background in which the CSR law was implemented in India. It has discussed the contextual background of the law and has described the rationale behind the law, as promoted by the law makers. Following this, it has discussed the contents of the law in detail and has concluded with an overview of the reactions to its implementation. The next findings chapter will discuss sensemaking that resulted after the law and the effects of this.

Chapter 5 Sensemaking after the Mandate

5.1. Purpose and Aims

The previous chapter discussed the CSR law in detail and also discussed the main components of the policy background in which the CSR law was implemented in India. It provided a detailed depiction of the law and the macro level policy related factors that have influenced sensemaking about mandated CSR.

This chapter illustrates how sense has been made of CSR after the law and describes the different components of this sensemaking process. It describes how a dominant sporadic and philanthropic approach to CSR has gradually been shaping into a more substantive CSR engagement or involvement approach in the presence of the law. Such an approach is more than ad-hoc philanthropy and has a greater focus on larger sustained social projects. The historic Indian legacy associated with corporate philanthropy, the current socio-economic context, and the emotions associated with these factors have aided in sensemaking about the law and about the mandated CSR context. They have helped legitimise the law. With its focus on socio-economic development, CSR has been consolidated into an external looking corporate non-core welfare activity after the law, and management and decision makers generally appear to be in acceptance of this development.

Both field interview and case study evidence have been used to explain these findings. This chapter first talks about the larger historic and the socio-economic contexts in which the law has been implemented and which have presented cues for sensemaking about mandated CSR. It describes how these aspects along-with associated felt emotions have supported and helped legitimise the law. It then describes the shift in focus from the dominant frame of corporate philanthropy to that of substantive corporate social and community engagement initiated by the law. The chapter then discusses

resultant sensemaking that has consolidated CSR as an external corporate welfare activity unrelated to core business operations.

Finally, it talks about the move being made by firms towards strategic and mutually beneficial approaches to CSR in the presence of the law.

This chapter therefore has the following aims:

1. To discuss how historic and socio-economic factors and emotions have affected sensemaking and helped legitimise the law.
2. To describe how there has been a consolidation of CSR as an external corporate welfare activity in the mandated CSR context, unrelated to core business operations of the companies.
3. To discuss changes in CSR implementation after the law.
4. To discuss the move towards strategic CSR.

5.2. Factors affecting Sensemaking process

This section starts with describing how the historic legacy surrounding Indian CSR, the socio-economic context and felt emotions have aided in sensemaking about mandated CSR.

5.2.1. Historic Legacy

The philanthropic activities of Indian firms have existed long before the CSR law was implemented, and the ideas underpinning the concept of CSR have been around for centuries. Ancient Indian religious concepts such as 'Dharma' and 'Karma' have also been explored by some in relation to CSR (e.g., Dhanesh, 2014, 2015; Sharma and Talwar, 2005, Pio, 2005), and the philanthropic activities of old business communities have been well documented.

Some scholars like Kumar, Murphy, and Balsari (2001) suggest that four models of CSR have existed in India and the CSR in the country has gone through four different phases post-independence (post 1947). These models have developed along-side the historical development of the country, and the elements of these

models can still be traced in the CSR that is practised in the nation. The Gandhian ethical model they suggest was based on the notion of 'trusteeship'. The statist (Nehruvian) model consisted of elements of corporate responsibility which were preserved in labour law and management principles, and state ownership and legal requirements determined corporate responsibility (pg. 2). The liberal model was based on Milton Friedman's ideas that social welfare is the responsibility of governments and not of business organisations and the stakeholder model was based on Freeman's stakeholder theory and related views dealing with balancing the expectations of the different business stakeholders (Kumar, Murphy, and Balsari, 2001).

In general, Indian CSR has chiefly been associated with philanthropy and charitable contributions that firms make over and above their mainstream business activities (Jamali and Mirshak, 2007) and being "socially responsible" has primarily meant carrying out philanthropic activities such as community development projects in the vicinity of business units (Krichewsky, 2017). In India, "associating CSR with traditional philanthropic practices, such as the funding of poverty alleviation projects in rural areas, has been a normal (expected) thing to do, and companies that follow this informal norm contribute to strengthening this expectation (Mohan, 2001; Sundar 2013)" (Krichewsky, 2017, pg. 10).

The dominant view of CSR has therefore been that of charity and philanthropy, and the existence of this strong emphasis on the philanthropic tradition was evident within interview references as well which were often focused on community development (Visser, 2008). In this respect, the philanthropic activities of Tata were referenced a number of times.

"We believe that even before this, talking about big groups like the TATAs, they have already been doing things for their people since a long time." (BUILDCOM_CSR_Group of Managers)

"In the past also, in India and abroad...sorry, not for abroad, I cannot vouch for it...but in India, those companies which were professionally managed and had a vision, they used to spend more than 2%. Like, for example, Tata...and we know well that Tata is a very philanthropical company, and it spends around 40% of its earning into CSR... I

mean, social development. Also Aditya Birla, these are the companies which were good in terms of management and had a vision” (BUILDCOM_Employee)

“[S]ome companies were already doing it without government mandate.. Tata group is the famous example.. when nobody had.. [like TechIT..] TechIT is very small.. but Tata group is [an] almost 100 year [old] business and they are doing it for several years.” (TechIT_Education_CSR)

Some however believed that although such activities pre-existed, they were not referred to as CSR in many cases in the past.

“CSR.. social responsibility everybody felt that socially we are responsible for something. But corporate social responsibility has been corporatized.. [by] MBA students you know, they corporatize terms. Corporatized.. corporate social responsibility. Make it feel good. Jargon.” (NGO_LP_Director)

“No. CSR.. In India CSR, this term,.. as a term, only corporate side people knew as to what it is. And for NGOs, we are getting something directly under CSR, this concept did not exist.” (NGO_SS_Director)

Interview participants (from case study as well as field interviews) frequently made references to past practises during their interviews.

“..Since 1995-96, till date, we are continuously engaged in the CSR field. Initially it was keeping a part of the profit .. and giving.. donation.. 1% of profit, since 1995-96, we are donating. So it is not something that after Companies Act came into picture we started.. on one fine day we saw that this is the regulation and now we have to comply.” (TECHIT_CS_Head)

"So.. if we look at [company name].. social activities are not new. So.. [name of founder] who founded and built this empire, his second name is social. So.. he would do everything with a social ideology. So he did a lot of work initially. He worked for music, he worked for the elderly.. he was a very active person in all the fields, business as well as social." (MED_GAD_CSR_Head)

“In the past it was more passion driven.. and in [the].. ownership driven companies or even corporates, [even] though they are big sized organisations, typically key people driv[e] the entire business. In that situation it would be purely passion driven.” (NGO_SS_Director)

In many instances, religious practises were seen as a basis for corporate engagement in society, and reflections of traditional and cultural understandings along-with associations with cultural values were observed in statements made.

“Secondly, it is interesting in terms of whether it was done earlier or no. I think traditionally in India, we never called it CSR. Each one of us, if you take our house, their house or anybody’s house in villages, be it grandparents or great grandparents, they always did CSR. But they never showcased it. We would have seen people helping people around in the village. Or helping some go to school or giving school admissions to somebody. Or donating something or giving new sarees on.. festivals. We also have traditions around it. So we have had traditions, for example, we have festivals that makes you donate something to people. So under the name of god, you donate something, you get the village to eat food, donate food or donate clothes or donate you know, whatever. Then you have somebody who is very talented in the village or around.. you make sure ..you celebrate him and sponsor his fees or whatever. So there are different ways. But collectively, I don’t think.. called it as social work or CSR. Just recently we have termed it as corporate social responsibility. Traditionally, in India, if you go to the south or to the north...” (TECHIT_Senior_HR)

“So earlier [on], self-interest, values etc. made them come to you.. and now.. there is a push through the law..” (NGO_N_Director)

“Long back it was good, then few decades practically nothing happened. Now things are slowly changing again. As I told [you], now we are doing it forcibly , but this is inevitable because we forget our values. You see earlier family values and social values were gradually forgotten over period of years and that is why [the] government has to bring them back.. Thus, somehow old values are eroded, that is why probably all this is again return[ing] back.” (TechIT_Infra_Lead)

Cultural traditions and religious beliefs along-with personal values therefore appeared to have influenced basic understandings about CSR. At times personal values about social welfare were elaborated and applied at the firm level. As is mentioned by Steurer and Konrad (2010), different historic pathways affect the contemporary understanding of CSR. Such understandings of historic legacy appear to have provided a starting point, and have helped in the generation of cues for sensemaking about CSR in the mandated CSR context.

5.2.2. Socio-Economic Context

The CSR law discussed in the earlier chapter has a development-centric focus and its framing emphasises national development, inclusive growth and equitable development (Ministry of Corporate Affairs, 2015).

The law and its accompanying narrative (see chapter 4) in this way have generated a forward-looking picture of betterment of business and society by positioning CSR such that it addresses ground level socio-economic concerns. With this background, it was interesting to find that statements addressing, referencing and touching upon the national socio-economic context were ubiquitous throughout the interview transcripts, within case-study interviews as well as field interviews, and laid the foundation for many interview responses. Consistent with the development literature (eg. Visser, 2015), CSR was observed by many as a means to address the socio-economic challenges faced by the country.

“And in India there is so much that you can do in-fact ..but.. in the US and UK.. or other developed countries.. there is hardly anything that you need to do for the society. Almost everything is taken care of. Social security.. everything or most things are already in place. But in India, we have huge problems, grassroot level problems, in-fact CSR should have been done much before. It’s too late.” (Consultant_G_CSR)

“Look, government is trying to pass on the responsibility to somebody else which in some sense is right. Look, there is huge gap between Indian society. So there is a large number of people ..who are below the poverty line, right, okay? And there is an industry, there is a world of Reliances, a world [of] Tatas, world of whatever you call[] industry here, they are at the peak. So, their daily expenses and their balance sheets are like whopping okay? So they are one of the top 20, top 10 or top 50 guys in the world. So this is what we call discrimination, in Marathi it is called “dari” [valley]. So, this has to be filled somewhere. So, government might have come [up] with the thought saying let us ask them to pump something in the society so that it reaches to the people. The government is doing its job. There is somebody who has to be taking ownership. Ultimately, they earn money out of the pockets of the citizens. This might be the thought behind bringing it in, it could be.” (BuildCom_Admin)

“CSR plays a crucial role in changing this situation. The mind-set that, it is only the government’s job to rectify the situation, need[s] to be changed. CSR can help change

this attitude. Everyone feels [that] the government need[s] to develop the roads, schools, electricity, government should give subsidies.....the government cannot do all of this singlehandedly. People too need to take action and get involved. This view is endorsed by CSR" (TechIT_NGO_Partner)

Interview participants spoke about the government's inefficiency and inability in catering to all existing social evils and positioned CSR as a means of filling this welfare gap. This was also in-line with the government's narrative which proposes how corporates could contribute towards the socio-economic development of the country through their CSR. Many participants therefore also believed that the compulsion for CSR engagement created by the law would therefore be a good way of forcing corporates to do something for social development.

"It is a good idea in general. This feeling is not always present in people. So, it should be done forcefully. There are lots of people who need help. So, it is very much necessary. One more percent could be increased by the government."
(TechIT_Admin_Lead)

"..yes CSR, making it compulsory to the corporate, it makes sense because now you have minimum funds available for the social activities for the upliftment of the society." (TechIT_Logistics_Head)

Many spoke about recent government initiatives such as the 'Swacch Bharat Abhiyan' in this regard. The 'Swacch Bharat Abhiyan' is a government initiative in the area of cleanliness, sanitation and health and is a flagship project which the government has been actively promoting. Both case companies have contributed through their CSR to this initiative by building sanitation units. Quotes only from TechIT were however available to corroborate this finding, although the BuildCom website also mentions contributions to the 'Swacch Bharat Abhiyan'.

"So like energy conservation, and the current government is giving so much of importance to Swaccha Bharat. So.. all these initiatives won't become successful unless each one of them [companies] participate.. so this itself is such a big agenda you know.. Swaccha Bharat itself is such a big agenda." (TECHIT_Finance_Team)

“Recently, in [the] last two years since the rule has come up, with those extra funds, the foundation has started taking up flagship projects. Last year, the project was about Swachh Bharat Abhiyaan where they set up 100 toilets in schools.”
(TECHIT_Emp_Engage_Head)

Besides housing, the Swachh Bharat initiative to equip urban and rural households with low-cost toilets has gained desired focus and urgency. The program entails an investment of about ₹ 2 lac crore over 2014 to 2019 to build nearly 12 crore toilets.

(BuildCom_AnRpt_2014-15_pg. 17)

The framing of the law and the government narrative accompanying this framing have therefore resonated with ground level realities. CSR has therefore been understood as a means to address social issues at a corporate level. This observation was true within case as well as within the field interviews within which there was again a general understanding and intermittent referencing to the Indian socio-economic context with regards to CSR. Such interview participants displayed an interest through their organisational CSR in addressing socio-economic challenges.

“I believe CSR is a fundamentally good concept having long term goal in mind that it is for the development of the society.” (NGO_SS_Director)

“So with the new structure and the new rules and regulations.. and the framework that has been created by Government of India, if it is implemented properly, it can certainly help the entire nation.” (MED_SEE_Owner)

Socio-economic context has therefore played a vital role in how sense has been made of mandated CSR.

5.2.3. Emotions

Felt emotions and emotions generated through understandings about the historic and socio-economic contexts also seem to have played a key role in the sensemaking about mandated CSR. As was found, CSR was being linked not only with traditional and cultural values, but also with the stakeholders' own

personal values in many cases. Emotion-infused responses were therefore noted among case as well as field interview responses.

“Definitely, people who might not be contributing in terms of hard-core money but there is the great work done by TechIT in [name of place], it will definitely provoke a thought in their mind. It would definitely take some time, but, eventually somewhere there will be a change of mindset of the managers, employees. Maybe not 100% but there would be some change definitely. And, there will be more thinking about the society instead of just being me and myself and I. It is already a seed that has been planted. It just needs to be nourished so that the thought grows and that there is a change.” (TECHIT_CSR_Goa_Lead)

“We see them [under-privileged people] every day. We have [even] come across many situations where we have seen the people from all classes and situations of all types. We are.. mature enough. So after going through that if the person says that I have never touched this thought [of social service], [it has] never touched.. my mind, that is something which I will not accept.” (TECHIT_CS_Head)

“Yes that is my point. If you educate the people .. do something for people and support the people.. you see now .. if somebody has fallen on the road.. nobody is bothering about it.... people are fallen on the road and people are not at all looking at [them] and just crossing. This type of.. [we] should educate the people and.. differently.. cherish.. and see how.. a lot of things our company has started and .. road safety.. road .. to educate the people how to obey the traffic rule[s] and.. wear.. helmet.. all those things.” (BUILDCOM_Manager2)

Such emotions associated with CSR appeared to have energised (Maitlis, Vogus and Lawrence, 2013, Rafaeli et al., 2009) the sensemaking processes, helping support generation of a plausible sensemaking account amongst these stakeholders about the purpose of mandated CSR.

“Because you know this must be [the] responsibility of the Government, the NGOs or the Corporates, but every individual should have that social sense that you should at-least spend one hour of your [time?] [for] some kind of a social project. So everybody should have that connect because ultimately it is ‘by the people, for the people, of the people’.” (TechIT_CSR_Nag_Lead)

Interestingly, such emotional responses were observed mainly amongst interview participants who were *not* directly involved in CSR related decision

making and were almost absent within interviews with CSR related decision makers like leadership, CSR heads and also interestingly NGO and other implementation partners. This could be because such decision makers are involved in the practical side of CSR implementation like structuring, allocation of spend and other business activities while complying with the law. They are responsible for balancing interests. For example,

“CSR law has this thing that.. you cannot keep your funds blocked.. I mean there is a time frame under which they have to .. Now, if I really want to support somebody's education, for example.. the law does not allow me to do that. Because I will only have to give scholarship for that year, utilise my funds, and you know if I come into losses the next year, for example, for whatever reason, and I don't have my funds anymore. Now I cannot support that child's education. Maybe that child will have to drop out. Now that's not going to serve the purpose. But then again, coming back to your original [question] that.. you know, how do we.. as in our size how it works is, you know.. the thought process goes something like, ok, you have to do something? You cannot take up a project that is going to take, you know, huge amount of time.. [there] may not be resources.. time for implementation. Like you cannot take up an irrigation project or water conservation project.. or anything else that is a long term sort of a thing.”
(MED_SMRU_Owner)

“[I]t also depends on how much it impacts your PNL [Profit and Loss Statement]. If it's hurting you too much, then you find ways coz anyway salary cost is coming to my PNL, some part of that I will show as CSR is..” (TechIT_Finance_Team)

“Till the point the corporates are given a free hand in terms of selecting the location, selecting the area of work and all those things, I do agree that it is quite a bold statement set by the government and most required because, there are very few organisations who are genuinely doing it.. I feel that mandating some law is okay, but before setting up [a] process of monitoring and evaluation and all those things, corporates need to be taken on board before setting up these things. They should not independent[ly] set up the entire process and just give it back to corporates saying this is the process and you have to follow it. You also need to understand what is the global scenario which is taking place.. So, taking into consideration all these things then the further processes can be set up.” (TechIT_CSR_Lead)

The other stakeholders [who are not directly involved in CSR related decision making] are connected and exposed to the enacted aspects of CSR which

highlight the possible benefits of CSR. Such stakeholders therefore produced more emotion laden responses when enquired into CSR, while responses of the decision makers were more professional in character and with low displays of emotion. Some hints of felt emotion were however displayed in their responses as well from time to time.

"- Definitely, once change occur[s] in [the] minds of volunteers, there is change in minds of 10 more persons due to [word of] mouth publicity. [Word of] [m]outh publicity is also important." (TechIT_Group of CSR Managers)

"..this two per cent is spent, then definitely we are going to.. we can work towards better, with different heads put together basically, and help [the] government also.. We had dire water situation. So, many corporates came forward for this and there was a big list published on how many projects were executed by CSR, through CSR funds by corporates. So, that's a big chunk of work which the government on its own couldn't have done. Since, we are, we exist in the society, we just cannot say that we have paid taxes." (TechIT_CSR_Head)

Interestingly, it was observed that company leaders everywhere displayed an increasing and keen interest in encouraging their employees to engage in social activities through CSR (or sometimes even on their own), and such encouragement was often evocative.

"No we don't have a schedule because what can we do.. So I tell them you do the following things [pertaining to CSR] as it suits you. So in that way you can contribute to the society's development.. Otherwise where you stay, the society.. it is your house, it is your workplace...wherever it is.. where the society benefits by your goodwill gestures or your inputs or your participation.. you do that." (BUILDCOM_CSR_Manager)

"Yes, that yes definitely. It is not only about the money and the profit-making, it is also about returning to the society. So if you look at you know.. our MD's motto, he is like- I am in the phase of learning, I am in the phase of earning and I am in the phase of returning. So [the] earlier you go to the phase of returning, you will probably be more satisfied and you know, faster in terms of happiness." (TechIT_Logistics_Head)

"But my leader is absolutely amazing. What he does is, he says "[name of employee] we have to do this [CSR activity], plan your stuff, and let me know how I can help". Now.. we have dedication to him, he gives us the idea, he gives us.. everything we need to make sure the event is successful." (MNC_BANK_Employee)

Such encouragement was, at times, even paternalistic in character, as was observed in case of BuildCom.

“Yeah. Because [personal] responsibility if you say, I have given them a timetable, so I tell them to go there [to do a CSR activity]. They would like to go after their duty hours, of course. But after the duty hours also they are not able spare time. What I want to say, that willingness is there. But somehow putting the willingness into the act, or acting on that willingness is missing. Perhaps it is due to lack of time, but we have to spare time for our society.” (BuildCom_CSR_Manager)

Such encouraged and felt emotions (Maitlis & Sonenshein, 2010, Liu and Maitlis, 2014), through their linking with personal values and their association with the betterment of society (where employees could themselves also make a contribution), appeared to have mediated, supported and energised sensemaking processes (as will again be referred to in the following section).

5.3. Sensemaking after the mandate

As has been discussed, prior to the adoption of the CSR mandate, the dominant view of CSR in India was that of charity and philanthropy. This view was supported by the case and most of the field interview data, which also suggested that the CSR activities and contributions were largely ad-hoc and unstructured in character.

“Until then [before the law], there was no [BuildCom] Foundation. We were just finding agencies everywhere; we were working with different people. We worked with [different names of Foundations] ..[a] Chamber of commerce.. with few other small foundations doing charity; this is what we were doing earlier..” (BUILDCOM_Chairman)

"In the past.. it used to happen more in the form of donations, like helping some schools etc." (MED_GAD_Owner)

"the companies were doing more of a social and charitable or more of a philanthropic one and only a few of them were doing but now there is a scene change." (Consultant_G_CSR)

Among the two cases, TechIT had a slightly more focused and growing involvement in CSR with a large number of sporadic philanthropic donation

activities along-with a few small social projects facilitated mainly through donations. This was since the company had been involved in CSR activity since its inception and especially since they had set up their CSR Foundation in 2009.

"We started the Foundation in 2009. You know like the website says that TechIT as a company was doing charity, let's not say CSR but a kind of CSR for the last.. 10 years before we started the Foundation. Then they realised that the amount of money at their disposal or.. there were a lot of requirements and there were no[] designated people to do this kind of thing, [a] finance person would do it or some admin person would do it.. so they thought, let's just make an umbrella under the main TechIT banner, and make like a trust, wherein we can chip in some amount and start." (TechIT_PF_CSR_Head)

CSR however has now been mandated by law, and the law requires companies to implement their CSR in project mode, through a structured format, with reporting requirements and accompanied by spending criteria (which also means larger monetary input) (see chapter 4). Due to this, the earlier largely sporadic philanthropic approach to CSR has gradually been shaping into a more substantive CSR engagement or involvement approach with a greater focus on larger sustained CSR projects and with greater company level involvement in CSR. A few quotes from the case interviews in relation to this are illustrated below.

"When the law came in, we decided to also do a lot more focused activity within the CSR of the company itself. Up-till now each factory or plant [did] a little bit around their surroundings.. Because of this [CSR law] happening we said that let's do it in the company in a more focused way, with more focused effort and so we have.. taken up various activities, around our plant which are for community building." (BUILDCOM_Chairman)

"Now we are thinking not only about respective year but are also doing long-term planning. Since there is 2 % mandate and every year we will receive sufficient funds, then we should think about long-term planning and convert it into project, we should also do result oriented work in fast pace and do it more forcefully." (TECHIT_Group of CSR Managers)

It was evident that TechIT's earlier CSR efforts were accelerated after the law with more structuring, formalisation and especially an increase in CSR funding. BuildCom on the other hand had to make substantive changes to their CSR practice after the law.

"Earlier also there was transparency, but now we are thinking about whether can we do more in this respect? Can we do automation? Or can we extract data from tip of finger. Now we are thinking not only about respective year but are also doing long-term planning." (TechIT_Group of CSR Managers)

"Recently, in last two years since the rule has come up, with those extra funds, the foundation has started taking up flagship projects. Last year, the project was about Swachh Bharat Abhiyaan [clean India mission] where they set up 100 toilets in schools. This year it has been about solar panel installation. So now, the foundation is working on two levels – one is about multiple small projects which cater to different needs and two, the flagship projects which really gives you the branding." (TechIT_Emp_Engage_Head)

"I joined BuildCom in 2014. I was the person who developed the CSR policy for them, So the CSR policy when I joined BuildCom.. they didn't have a policy.. they had a two pager document.. I think before 2014 BuildCom, before I joined they had couple of CSR projects, but those were only [on] philanthropic notes. One was the skill training centre, computer training centre.. and another one was health, tobacco control programme. But both were running in a.. very isolation.. They awarded the projects to the NGOs, they were implementing [them].. business was not very actively engaged in the process.. now employees and people [have] started doing those projects.. then that was not [the case]. So I would say that before 2014 they had a couple of projects but those were very pure[ly] philanthropic approach." (BuildCom_CSR_Head)

There were changes in CSR related governance structures.

"It is more structured now. Now we have full-fledged managers for CSR so we are able to work in a more structured way." (BuildCom_CSR_Group of Managers)

"..So, being a CSR.. department as such [f]or a specific activity, now we have a formal structure for it; this makes sense to monitor the actual impact on the society and [that] efforts are.. converting into the results or not." (TechIT_Logistics_Head)

Discussions about alterations in CSR practice were also noted among most of the field interview responses.

"Before maybe there may not have been a structured approach,.. if there is a chance, do it. If there is a music programme.. you are giving it [funds] away. But, you have not thought about it. Now that it is companies act, compliance, you have to think about it. So that at the end of the year you don't get into trouble.." (MNC_SUZ_CSR_Lead)

".. actually yes let's say after the law came in a lot of companies started coming in and they started more to take feedback directly from the beneficiaries. Meeting with the beneficiaries.. and the things that we are claiming that we.. have distributed or they [beneficiaries] have received.. or the services that we give, are they really received? They do sample surveys of this. And that's why they say that "you don't come we will go around and see for ourselves". So they come informally many times, stay, talk.. but they are taking all the feedback as to whether the reasons for which they have provided help, whether it is being used for the same reason. They are trying to check that. That is a big change. They don't just rely on the reporting. This is a good thing." (NGO_S_Director)

"Involvement.. earlier on, even if an organisation was giving money, corporates would feel that their work was done. Now maybe a personal touch might have increased.." (NGO_TF_Fellow)

The framing of the law and the legal identity acquired by CSR therefore appeared to have primed (Weber and Glynn, 2006) sensemaking, resulting in an increase in CSR practice and orientation of CSR governance in accordance with the law. It was evident that the law had brought CSR into more focus and attention, with an increase in seriousness and importance associated with it.

".. but now there is a scene change. It is the talk of the town. Every company, the board, they are talking, discussing about CSR. What to do how to do it.." (Consultant_G_CSR)

"..and if you ask me how much this has changed over the years, earlier the situation was that very few people in the organisation knew what was going on with respect to CSR. But now almost everybody knows. So, people are updated about what's going on and it is a pretty serious initiative." (Consultant_Indirect_VV_Director)

"From a social worker perspective, earlier the case was that it was the least priority. That is the fact. Because it is not profit gaining. I mean there have been experiences that budgets have been reduced. But because of this coming in definitely there is a proper guideline that has come in that we HAVE to spend this much [2%] at any cost. So the mandate coming in has definitely generated the right way.." (MED_GAD_CSR_Head)

Due to the law, CSR was now being viewed as a longer term sustained social welfare and community engagement activity, which required compliance with the law.

"..on the compliance level you have no option but to work. It is being insisted that you work.." (BuildCom_CSR_Group of Managers)

"So we have a quarterly director meeting track, we have a compliance report about what compliances have been done.. all of this has to be given. So everything is tracked now."
(MED_GAD_CSR_Head)

There was an understanding of CSR as an activity that requires structuring and reporting, is legally mandated, sustained and project-based and which does not include ad-hoc charity and philanthropy.

"So, CSR.. They need to understand, carry out the base line, carry out the need assessment, identify the problems, identify implementing machinery, implement the programme, then do the impact assessment, do the correction i[f] required, and then, do the hand holding and then withdraw later. So, this is what the CSR is. It's a chain. It's not a one-time activity. It runs atleast.. in most of the cases, at-least five years.. It's a project based not a programme based [activity]." (Consultant_G_CSR)

"..I am quite clear that there is a difference between charity and philanthropy and between CSR. Charity means cutting a cheque... there are poor people, hungry people, homeless people, you are just providing for them. CSR is really making a change in society, making a change in your community. So, you are not taking up mega projects, which you can leave to the larger donors, and donating agencies. You really work within your community to make a change, where you have an influence and you can make a sustainable change." (BuildCom_Chairman)

In some cases, it was found that there was a move towards converting earlier philanthropic and charity related activities into CSR projects in accordance with the law.

"[B]efore that they would give us an amount. From that we would decide which children to give how much.. how much to spend on whom etc. But this year they said that write a project for us as well. So.. we moulded our everyday work into a project.. like home visits, special camps etc. So we made it and gave it to them." (TechIT_NGO_Partner2)

Such statements suggested instances of retrospective ‘editing’ (Weber and Glynn, 2006) of sense about CSR through conversion of earlier sporadic CSR activities into CSR projects. Since the law encourages collaboration (see chapter 4), a growing corporate interest in collaborating with NGOs, implementation partners, other businesses and the government was also observed.

“..I would say, now, because of the change in the law. Rather than we thinking of what we will do with the government, they also know that you have funds, we have projects, so why not co-ordinate and do it..” (TechIT_Finance_Team)

“the other thing that I am aware of.. certainly in [name of place] is, umm I think it is called the chamber of commerce in [name of place], so it’s a network of business leaders in [name of place].. they are taking quite a collaborative approach to how the money is spent in [name of place].. so I think we are starting to see collaboration between businesses which I think is a good thing..” (MED_SM_CSR_Non_Exec_Director)

It was therefore observed that meanings associated with CSR implementation and practice have altered in the presence of the law providing CSR with the status of a sustained activity that needs to be carried out seriously. Alongside the governance of CSR has tightened, and it is now being viewed more as a sustained welfare or community engagement activity which is more than ad-hoc philanthropy.

Interestingly, four interview participants, belonging to very large MNCs (MNC_SUZ_CSR_Lead, MNC_CONS_CSR_Head, MNC_AC_CSR_Head, MNC_HAD_Plant_Head_cum_CSR_Head), suggested that their companies had been involved in systematic project-based CSR activities under their foundations much before the law came into picture in 2014, and that there was hardly any difference in their CSR practises after the law was implemented. They had a history of CSR involvement, and their responses suggested that they clearly understood their environmental and community footprints, and strategic interests, and therefore wished to maintain their license to operate and lower future operating risk through their CSR.

“As far as 2 percent is concerned, it has not affected the way we do CSR. **So.. we were clear from the very beginning that.. why we do CSR.. that is very important to us.. so we said that let us begin by offsetting our footprints in our neighbouring communities. So we started geographically demarcating .. we came up with some criteria in-terms of business presence, community conflicts and other things and then stage of operations and then we identified those geographical areas which were in our neighbouring communities and after that we started working at small projects which were village based.** For the first five years, we looked at the resource available, and we started doing small projects which were on these five themes which are common all over the world you know.. environment and livelihood and education and health etc... and we looked at initiatives which were more sustainable and took on otherwise we wouldn't really start the programmes..” (MNC_SUZ_CSR_Lead)

"[Name of Company] Foundation is actually all over India in 21 locations. In the 21 locations, wherever we have a plant, we have CSR activities. And [Name of Company] Foundation has.. Community Development.. skill development.. interior development. Like Health.. water.. education.. skill development. Actually, it depends on the local need based on which work is done. It's not demand based.. its need based. The identification that we do of the nearby areas.. here for example in [name of place].. we have adopted 16 villages.. and the programmes like Skill development.. for that we are working all over [the] state as well. Skill development training centre.. like your [BuildCom] has. And we believe in partnerships. Like we have partnered with the government.. there are many projects which are centrally co-ordinated.. organised.." (MNC_AC_CSR_Head)

Such observations suggested that although meanings associated with CSR implementation have altered or changed for many after to the law, the law has affected CSR practices of some companies more than others, resulting in more sensemaking among some (with less CSR experience in the past) than others.

"So the law, whatever it is, must have impacted different people differently. Since we already had a framework and everything in place, for us its only doubling the amount and how. It dint impact us so much. It might have impacted others differently." (TechIT_Finance_Team)

Sensemaking about the law and mandated CSR has therefore helped scale up CSR practice in terms of CSR related governance and implementation mechanisms and has also acted as a strong driver for more CSR participation

for many firms. However, these changes have been more for some than for some others.

5.3.1. CSR as Social Service and an external welfare activity

Interestingly many interview participants at the two case companies continuously referred to CSR in terms 'giving back' to society or as a way of 'doing good for society'.

"What I feel is that any business which is growing, obviously it [is] because of society which is supporting around it. And it is obviously getting money from the society. It is okay if you share some profit with it." (TECHIT_CSR_Bang_Lead)

"At, a personal level, I think **giving back**. So, when our people are doing [Individual social work encouraged by the company subordinating their CSR activities] the idea is; what are you giving back to the society? You are privileged, you have a job, you are working with a good ethical company, you earn well... what are you doing to give back?" (BUILDCOM_Chairman)

"We need to do it one way or the other, it has become mandatory. But as per as myself is concerned, I believe that being an industry, it doesn't matter whether it [was] our responsibility from the beginning or not, or whether the government has made it mandatory or not. Because we are an industry, we have our stakeholders, in such cases, definitely we give our workers salary, that is a separate issue. But as community, what are we giving to anyone?.. So, we believe that as [company name], CSR shouldn't be done because the government has made it compulsory. We must do it because they are our own people around us. And if it is felt that there is some problem and we can help them, then we try to do it; this is the motive in my mind. They are not poor people for me that can work because of us. According to me, we are able, by god's mercy, to help someone else, increase their skills and so on. Because we are more able, we try to do this." (BuildCom_CSR_Group of Managers)

CSR was frequently referred to as "social service" or "social work" during interview responses at different levels of organisation at TechIT.

"Company giving up 2 per cent of profit has come up now. But even before this, companies were doing **social work**. For that matter, TechIT has been doing it since 1995. Even in 2009 when the foundation was established, we were doing it in our own way." (TECHIT_CSR_Head)

“Basically by way of my designation here, I worked as the Head of Administration, Head of Finance, Head of HR. I am also on the Board of Trustees of the Foundation.. And other thing is that I am interested in doing this work. Only thing is that doing social service is not easy - it is extremely difficult and you have to be completely in for that, otherwise, you can't do that; passion is required. You should feel within to do this work. Nobody can compel other[s] to do **social service**.” (TECHIT_Infra_Lead)

“I give you one example-we have also obtained project from [name of place], we also received projects from here also. Need is endless, need has sky [as] the limit. So we have to decide where we.. work because our budget is fixed. Hence we have to take [a] decision in such a manner that we will stop at this decision. We have to remain firm on this decision because budget is limited. We have to execute the works based on this budget only. Then we have decided that TechIT Foundation will do the work only in following geographical topographical areas: XYZ district, LMN district, then [name of place], [Name of place]... We have to take this decision because we have [a] lot of work and accordingly we have to make adjustments for **social work**.” (TECHIT_Group of CSR Managers)

In-case of evidence obtained from field interviews, data from NGOs, beneficiaries and relatively smaller company representatives again suggested that CSR was generally being referred to or viewed as a form of social service or social welfare activity and was being equated with and encouraged as such by leadership of the organisations (that the individual field interview participants were associated with).

“.. well the concept.. now some of the Government's schemes do not reach the underprivileged part of the society. Through the medium of CSR, getting those schemes to them, educating them in those respects – this is also a part of CSR.” (MED_GAD_Owner)

“So from our perspective, when we help from our side, we tend to look at the need basically, every year.. because food and all is biological. What the government does is, people give food and groceries and all.. but that they always get. They don't need us for that. So what we tend to do is, with the growing needs from the perspective of their schooling; so the books, stationery, bags, water bottles, lunch boxes, shoes.. for this we sponsor. We install some water coolers there for the hot season. We have also set up a few machines, computers mainly if they are able to use them..” (MNC_BANK_Employee)

Such evidence suggests that the CSR law has generated a push for CSR engagement from the government's side, which is besides the internal push that some companies possessed earlier for conducting CSR voluntarily for altruistic or strategic reasons. Kytte and Ruggie (2005) argue that social risk might arise for companies from different stakeholders like investors, customers, employees, suppliers and civil society members of which NGOs are a key component. Companies make an additional effort and respond to such risks and pressures by engaging in socially responsible practises. While social and community engagement through CSR was crucial for gaining a social licence to operate for the MNCs (eg. MNC_SUZ and MNC_CONS) that had a large community and environmental footprint, CSR was not considered crucial for companies like TechIT and BuildCom in the past since they had almost no social pressures to engage in such activity without a government mandate. With a historic legacy of corporate philanthropy, CSR was therefore an additional social welfare activity, for them and for other such companies represented in the field interviews, external to their core business operations.

Because it is now the law, through its framing and focus on social development, the CSR law has been instrumental in consolidating and legitimising the earlier relatively underdeveloped idea of CSR as an external social welfare activity. As can be understood from earlier quotes, there is a clear resonance between the government's development narrative and many of the stakeholder's interest in social welfare, which as has been described has been infused with felt emotions based on their understanding of the socio-economic context and steeped in strong history surrounding corporate philanthropy. Such understandings have aided in sensemaking about the law and have legitimised the law in its current form with its external welfare focus.

Corporate decision makers are now increasingly engaging in formalised and structured CSR which is more-than ad-hoc philanthropy and in-line with legal requirements. This is thus shifting meanings regarding CSR governance and practice. However, as noted earlier, CSR still remains a set of concerns external to the organisation.

Interestingly, although it was found that some CSR managers were aware of the broader global view of CSR, most (only one seemed eager) of the interview participants did not appear to push for or consider a broader view of CSR encompassing internal operations, vendors, suppliers and other stakeholders as being relevant. This is especially interesting in light of the background of the law as discussed in chapter 4. The interview participants did not entertain any deeper fundamental questions regarding whether or what kind of responsibilities, other than social service/welfare or community development, corporations should indeed assume (Jamali, 2007) under their CSR.

“It is mentioned in the mandate issued by Govt. recently that CSR should be done. The term CSR is not defined in it. There is lot of grey area, traditional concept of CSR in India is still followed by us rather than the modern concept of CSR followed in many countries of world, according to which as your stake holders, vendors, employees are strengthened, your society will become strong, your business will be strengthened and then this cycle will be completed. It will take time to accept this concept in India.” (TECHIT_Group of CSR Managers)

"in India and the rest of the world basically the European and the American part of the world, business culture is slightly different. People on the European and American continent, what they.. while they are planning and conceptualising their business venture or project, they include the society, the environment and the profit everything on the same level. So certainly, in their business process.. apart from making profit, the environmental and the social aspect is also very critical and important for them. Which we all know about the triple bottom line approach and the three P's and all right? But in the Indian context.. I see and I presume that most of the businessmen are profit centric. They were not very... I would say that they were not very willing to take up the social and environmental issues." (BuildCom_CSR_Head)

“Absolutely. Speaking of the environment-related CSR, now the government has mandated that whatever you do for employees is not your CSR. That is now out of question. Globally, that is still considered as employee-related CSR. But even practices such as responsible sourcing, vendor management – our complete focus is on community.” (TECHIT_Emp_Engage_Head)

Although mandated CSR was being scrutinized, debated and critiqued at times for its spend criteria and mandatory requirements (as seen in chapter 4 and discussed again in the later chapters), there was a general air of acceptance

associated with the basic idea underlying the currently legitimised form of CSR as an external welfare activity.

“2% is extremely important and is also necessary.” (NGO_N_Director)

“So I really think that the corporate’s role in CSR or in social development is very crucial, and I really support this 2% mandate.” (TechIT_CSR_Nag_Lead)

“It is wonderful that India did it, as the first country to mandate it, it’s very visionary and very great. ” (BuildCom_Chairman)

Thus, it can be understood through this discussion that although sensemaking after the law has resulted in shifting of meanings associated with the CSR implementation and practice, understandings have remained unchanged and unquestioned in terms of CSR being a set of concerns that are external to core business operations. Thus, a narrow view of CSR focused on external welfare has been maintained and consolidated after implementation of the law. How companies actually do their business is still voluntary and up to them to decide.

“Corporate Social Responsibility has the term ‘social’ in it. Hence it’s about community welfare. At least in India.” (TechIT_Informal_CSR Lead)

With respect to the representatives of the MNCs (MNC_SUZ, MNC_CONS, MNC_AC and MNC_HAD), as has been discussed earlier, it was suggested that there had been no changes to their CSR after the law.

Interestingly the annual reports of these MNCs and also of TechIT (these companies feature in the SEBI Top 500 list) suggest that they separately report on the more inclusive NVG framework through their ‘business responsibility’ or ‘sustainability’ reports as required by SEBI. Some of them also report as per international sustainability guidelines such as GRI. Some have a separate section in their annual reports which discusses inward looking ‘sustainability’ related concerns of these companies and the steps that they undertake in this regard. Others like MNC_HAD combine all their ‘responsibility’ activities together. See figure 5-1



 Care

care


 Care is the Group's definition of sustainability. The framework comprises four perspectives for value creation and sustainability integration in everything the Group does: Business Care, Environmental Care, Employee Care and Community Care.



Figure 5-1: Responsibility Activities at MNC_HAD

Such observations suggest that these MNCs understand and/or increasing also engage in inward looking responsible activities concerning how they actually do their business. However, while talking about 'CSR' after the law, they only referred to their company's external welfare activities when enquired. This could have been because they associated the term 'Corporate Social Responsibility' with external social welfare activities.

"In India if you do [something] for the community, it is interpreted as CSR. If you do it in-house, it is interpreted as sustainability. It's all.. just the stakeholder is different."
(MNC_SUZ_CSR_Lead)

This again suggests that 'CSR' as a concept after the law has been consolidated as an external welfare activity, and there is a segregation of 'CSR' from other aspects of business responsibility.

Such observations suggest that the CSR law may not have affected the business responsibility operations and practices of the large companies which

have had strategic reasons from the past to engage, which therefore already engage in sophisticated responsibility practices and which anyway have to report on their operations as per the SEBI requirements on NVG reporting and other international sustainability reporting standards. However, for the rest of the companies that do not have such a SEBI mandate, or do not have any other strategic reasons to engage in inward looking responsible activities, the law has legitimised and consolidated CSR as something that is external to corporate operations and has encouraged firms to engage in external social welfare activities in a formalised fashion through their CSR,

5.4. Move towards Strategic CSR

As has been discussed in section 5.2.2, many people see the CSR mandate as an opportunity for businesses to do something for society. The law has also been instrumental in generating many positive changes in CSR implementation and governance. However, considering that CSR is viewed as an activity that is external to core business operations and requires monetary and other investment, a few of the interview participants also mentioned that they found CSR mandated through a law as an additional burden on business (as discussed in chapter 4). With the spending criteria, according to some, spending on CSR was a form of tax.

It was observed that for some of the companies that had very little CSR engagement before the law, the law had caused extreme discomfort. This was especially true for the relatively smaller companies that 'just' fit into the financial criteria laid out by the law.

"I am really not sure if the corporates.. or the people who are responsible.. for you know.. for doing these activities at a company of our size for example.. will have any personal motivation for doing that.. or.. for that matter you know.. even if the higher level executives, typically don't have time for this kind of activity. So you are delegating this activity to somebody.. lower down the ranks. Now we as a company cannot afford to hire a full time person who will take care of CSR. Because the amounts of funds that we have, does not justify that kind of an expenditure. So when you are giving it out to somebody, it usually tends to be a part time kind of an endeavour for them, and they

don't have any personal motivation to go and do all this kind of.. stuff. So at the end of the day, what you end up doing is either picking up programmes where you can wash your hands off by just paying money for it." (MED_SMRU_Owner)

"There must not be compulsion because sometimes there might be things that are out of control. So it cannot be done. So even if intention is there, it cannot be done." (MED_CS cum CSR Manager)

Some others, as has been discussed, however thought that the mandate had actually provided an opportunity for companies to do something for society.

"So this mandate has to come because you know India is a.. we say it is a developing country, but there is no such contribution from the growing corporate side. Because you just cannot depend on the Government to take India ahead.. So Corporate involvement was very very very important. And because of this mandate we are able to do something for the society. We are not dependant on the Government... we need a better education, right? This programme will be launched by the government in 2050 and this and that.. you know but corporate can work immediately on the ground level, without any interference from the Government or even the NGOs . So I really think that the Corporate's role in CSR or in social development is very crucial, and I really support this 2% mandate." (TechIT_CSR_Nag_Lead)

It was therefore evident that the law had affected some companies more than others, as has also been discussed earlier, creating more uncertainty about how to act amongst some more than in others. While trying to rationalise, balance and in some situations cope with the requirements relating to spend and resource allocation in terms of their CSR in accordance with the law, companies appeared to be turning towards strategic approaches in the hope of fostering mutual gain through branding or indirect alignment with core business.

In an interesting observation, BuildCom displayed a keen interest in strategically individualising their CSR activities. It was mentioned that when there were indications that such a law was going to be implemented and the CSR bill was still being passed, in anticipation of the law, the company had decided to monetise employee CSR engagement hours and count them towards the company's CSR spend.

"Apart from that, before this law came into being, about two years ago when we were expecting that there might be some kind of CSR activity, we did not expect such a huge amount that would be set aside. We began a concept of 'Personal Social Responsibility', which was every person in the company must give four hours in a year, which means every quarter one hour, you just donate it to any kind of charitable work, it is on company time – so the company pays for it – but, you can get together in groups, you can do whatever you choose individually, you just need to give a declaration that you have done something." (BuildCom_Chairman)

However, after the law was passed, it was discovered that the CSR law did not allow employee engagement hours to be counted towards the company's CSR spend.

"PSR involves employee engagement activities. Since CSR cannot have employee hours calculated as CSR expense, so man hours contributed towards social activities form PSR." (BuildCom_Informal_CSR Head)

Hence, BuildCom had to change its initial plans (thus re-editing their CSR plans) and now the company engages separate funds towards CSR, although the company still encourages employee volunteering. It was mentioned by the CSR head on one occasion however that they had been trying to work on how employee volunteering could be strategically utilized for mutual benefit.

"..Now slowly.. and also engaging these resources in the strategic project, so that they could also see their business interest, their own interest and also the community. So PSR should be also [be] developed in a very strategic manner, how we can utilise the man hours of the employees for social projects as well as.. which could also help the business.." (BuildCom_CSR_Head)

With respect to the two case companies in general, although it was found that CSR continued to be associated with social welfare and was also encouraged as such, there was an understanding about the strategic aspects associated with CSR, especially amongst leadership and corporate decision makers.

"[B]ut one thing is there – when you work for your community, it definitely benefits you and gets you a commercial sense, it makes economic[] sense, it is good for business. There is no reason why you should not be a part of community, working with them, getting upliftment happen. Because, after all, this [is] your market, these are your

workers and these are your people. And, they provide you a safety net by being there just for you right? Rather than having an antagonizing relationship."
(BuildCom_Chairman)

"So I personally feel that um, any corporate, you know, the area they are working, it's not a.. stand-alone job any corporate can execute. So they work with[in] an.. environment around. And the linkages that they form have to be Maintained in a good - I would say - good way for those stakeholders to you know kind of help company grow. So what happen[s] it's not only [a] customer vs supplier interaction. The project that we erect or any company works in a particular area, it directly or indirectly affects the surrounding. And unless those impacts are not positive. Ultimately longevity of the company will also be questioned. We see it as an example that if we set up a project tomorrow in one particular place and we do not generate the local employment there, directly or indirectly, obviously the people's acceptance of that project will not be .. For a long duration of period.. So I see CSR not as a kind of in kind activity - but it's essential for the longevity of the business.. but I feel that for the companies who have been doing very effectively I mean the Tata's for example. It has given a rich dividend in terms of how the people perceive the company and help company's brand um [flourish] over a period of time." (TechIT_Partner_1)

Leaders at BuildCom were especially vocal about their interest in strategic approaches which could foster mutual gain. Apart from 'doing good' and 'giving back' to society, it was found that other justifications for engaging in CSR within conversations with the leadership included discussions about CSR's role in long term business sustainability and growth. An interest in strategic CSR was reflected in the speech and actions of the company's leadership during every interaction.

"So..as a CSR professional, as a development [professional] I also.. whenever I interact with the NGOs.. I try to convince them to have a balanced approach.. and come out with something which is beneficial for the community, the corporate and the NGO as well." (BuildCom_CSR_Head)

There was therefore a stated interest in establishing mutual benefits through CSR.

"Obviously, there is a profit at the company level. For example, there is an employee who comes in at 8 every morning, he completes his 9-6 duty and goes home. But when he feels that even after coming out from the company, I want to talk to 10-12 kids on a

different subject, he gets bonded with the company even more. There is feeling of belonging that the company is mine or this space is mine. Obviously, these reflect in changes in his performance slowly, and the beneficiaries will get benefitted anyway..."

(BuildCom_CSR_Group of Managers)

In-line with their interest in a strategic approach, along with a few other non-strategically inclined programmes, BuildCom was involved in a training programme in their community which was aligned with their business operations. This training taught skills that were in-line with the company's business, and by training people from the surrounding communities the company hoped to generate more trained resources for the future. While referring to this programme, the CSR head along with the company's chairman frequently displayed optimism and echoed how it could help mitigate the company's future resource scarcity and profitability concerns.

"But at the same time, I have designed one skill development programme, which is [the] first time this skill development programme is being done in India, and which is the [name of] training programme that is for the construction workers, and that is something which gives certain specific skills to the construction workers, which help them to enter into the new construction techniques. We help them.. get better. At the same time, that is, since we are also in the [same] business, so that is also beneficial for us because if in any area, quality [trained resources] are available, certainly that will give quality service to the end customer. Right? This will be a value addition to our.. business. So.. there will be something beneficial for the company as well apart from the dealers."

(BuildCom_CSR_Head)

"We have tried to choose things where BuildCom has an advantage of in terms of being able to do it. Wh[ere] people are good at construction activity, they will get involved. Their ability to add value is far more than cutting a cheque. And, that is the yardstick which we look at every project that can... we as company add value, I don't want to be cutting cheques, because the bang from the buck that I get from my own intelligence, skill, experience of the company comes into the project. So, like I said the [training] project, like if anyone wanted to do the [name of] training, they may do it well by providing employment and bump up the salary by 10 per cent. But, a 50% increase is huge." (BuildCom_Chairman)

Incase of TechIT, it was found that discussions about strategic approaches to CSR were not very popular and were largely frowned upon.

"Branding and all is a small collateral that benefit you might derive, it is nothing to do with... primary intent of the programme is to benefit people. Not that you have any mileage to be derived out of that..." (TechIT_Finance_Head)

The image of the company in the minds of the company's employees, through its long term and sustained engagement in social welfare, had historically been that of a socially responsible entity which worked genuinely for society.

"At an organisational level, we really have our intentions right. We have our heart at the right place. And, I have seen the team very closely. And of-course high regards to [chairman]. [Chairman's wife] also, she is working in it now. So, the basic foundation is to help people. I see it as a very genuine help. They are of course very passionate. But there are corporates who do that just for photoshoot." (TechIT_Senior_HR)

"Another thing, the approach has been very genuine. It is not a very branding-oriented approach. If the project is good, they will go for it." (TechIT_Emp_Engage_Head)

However, even at TechIT, there seemed to be growing interest in approaches to CSR that could foster mutual gain. In general it was found that there did exist support for and/or understanding about mutual gain via CSR at the company. However, support largely tilted in favour of social welfare rather than any strategic mutually benefitting approaches.

".. So, branding does play an important role and we do look for branding whatever opportunity. But, we do not stress on it." (TechIT_PF_CSR_Head)

"Another point is, we are into [a] business which is not necessary[ly] for the society or the public, for which we are doing the branding. So for example, if I do my branding at the [name of] railway station or the corporation school, it is not going to give me more business. Rare chance. Although people visiting the railway station might see, but in today's times [of] google and internet.. so easily accessible to the people, they don't have to visit the railway station to see what TechIT is doing and all that. So, [the] kind of business we are in, we don't need the branding there, wherever we do the CSR activity." (TechIT_Vendor_Managt_Head)

However, TechIT already boasts of a scholarship programme for IT and Computer Science students which aligns with their core business and has a few activities around software development that they conduct in the community.

"Yes, CSR is a tool for branding. Because, in the present scenario, like I always believe that it gives you social licence to operate in a society and a community. So, you need to have the social licence to be existent in the society. So, definitely, it is an exercise of branding. And how it is aligned to the business – we are definitely aligned, like giving sponsorships to girls who are pursuing their [higher education] in IT. Definitely it is aligned to my business, because it is aligned to my workforce and it has to come from the society itself. Why not give opportunities to those who are in need of getting those opportunities. Definitely, some programme are aligned but not the entire, like my entire education programme is aligned to my division. Because if people have basic education they can't pursue engineering. So, that can be said, but I will not claim that, but yes, our scholarship programme, there we support IT student, definitely it is aligned to our business." (TechIT_CSR_Lead)

Apart from this, the CSR head in an informal conversation displayed an interest in learning more about strategic CSR (TechIT_Informal_CSR_Head).

"- According to my opinion Corporate Social Responsibility includes the word Corporate. So it involves business part and it should be there. And whatever may be the amount, there is criteria of 2 % and the amount[s] differ from company to company. So company should not just spend the money for just sake of spending the money. Instead of that one should [look] at it from money investment point of view since you are talking about Corporate. Let us take somewhat different example. We invest money in share market and expect returns after some years. In this case there is no expectation of returns at monetary level, but it is at qualitative level.. So, company should adopt the stand of investment of money for social, educational and economic uplift[ment] This is my point of view to look at these things. If we spend the money, it is not sufficient for us, if we take a stand of money investment, we can achieve both aims and vice versa. So this is my point of view to look at these things." (TechIT_Group of CSR Managers)

Another interview participant (TechIT_Emp_Engage_Head) associated with employee engagement activities at TechIT also suggested how he was really interested in alignment of the company's CSR with their core business.

"I don't think it is aligned at TechIT right now. But, I strongly look at CSR as a tool for branding. Because, if you can get into right kind of projects you can really brand through your CSR like anything." (TechIT_Emp_Engage_Head)

The TechIT foundation head suggested that the company insists on branding for certain projects, although not all. However, with more funding generated

after the law and the larger projects that can be undertaken with it, there is an opportunity for more branding for the company which they would be interested in.

"So, branding does play an important role and we do look for branding whatever opportunity. But, we do not stress on it. Every project.. So, for example, when you go to the villages and do these cleft palate surgeries, where are you going to get branding? And from what? What is TechIT going to do by saying that we have operated 100 babies for cleft palate. So, we do the branding wherever it can happen. We do not insist on branding." (TechIT_PF_CSR_Head)

"Also, this [newly commissioned after the law flagship project] for example, the one that is commissioned in [name of city]... big time branding. [Other name of city], now that it is going to start... big time branding." (TechIT_PF_CSR_Head)

With respect to the other companies whose representatives were interviewed, an existing interest (within companies having strategic and sophisticated CSR engagement in the past) or a growing interest in approaches fostering mutual gain and alignment with core business was again visible. There was an understanding of the 'Business Case' associated with CSR amongst many leaders and CSR managers.

"so now for that foundation we have supported a lady athlete, again because our business is more female oriented so what we thought that we should do something about female empowerment." (MED_GAD_CSR_Head)

"[L]ike I am talking about skill training.. If there is a requirement of welder or electrician in the industry, we organise programmes according to this need in the community. We train electricians if there is a need for them in the industry and then place them." (MNC_AC_CSR_Head)

Therefore, with growing corporate CSR engagement in-line with the law, there has also been an overall growing interest in mutually beneficial approaches, branding, business case creation and therefore strategic CSR. Interestingly, this fits with the Government's narrative encouraging corporates to strategize and conduct their CSR and work for social development, also generating goodwill for themselves.

"Maybe more, but branding is getting focused now. So, that is what I feel. Because of law, the visibility is also required. Now, as it is becoming mandatory, you also need to have visibility. Branding is now getting focused more..." (TechIT_CSR_Lead)

"..in case of TechIT when you spend so much money - um - we also look at how the brand of TechIT can be you know.. enhanced in the general public opinion and that's what they did.. So, now.. companies' will also see effective returns on that and they are measurable - then it's even more better." (TechIT_Partner_1)

"so.. we have another presentation made on the movie maker which we are going to keep in the store as well. Let customers also come to know that [company name] is not only a [fashion accessories] store but does a lot of things socially." (MED_GAD_CSR_Head)

Interestingly, with growing CSR funds and focus on CSR after the law, there has also been a growing corporate interest and focus on making employees participate in CSR.

"Absolutely. So their man hours will be calculated.. how much time did they spend.. from that their own awareness will increase. So that means that will go to their homes [as well]. So at the same time stakeholders will include employees, their families.. people linked with their families.. students, student's parents and teachers. So that is how that programme will be conducted." (MED_GAD_CSR_Head)

"Yes.. two years back the frequency was not so high. Now the frequency has.. increased and now the people engagement has.. increased.. Just because we have started spreading [the] word.. Earlier it was like [a] closed activity.. closed group of.. the same people would go to the same activities for the same period of time. So we will visit old age home, or we will do tree plantation.. but the same people would do the same thing. In the end like just for the name sake.. at the end of the year we were like.. yeah.. this happened, but I wasn't there.. I wasn't aware when this happened. But now a days the people engagement has increased so widely that the people come to know that this thing is happening and I should go. And each and every time we see new faces for which society matters and this is a very good sign." (TechIT_CSR_Volunteer)

Strategic connotations associated with the growing interest in participation of employees at BuildCom have been discussed earlier. At other companies as well there were expectations of mutual benefit through improved company

image as a socially responsive entity, and through boosted employee morale generated through employee participation in CSR.

"Yes definitely, because volunteering is [a] key part of CSR activities and that is how you will be able to reach out to your employees. Giving that feel that your organization is also contributing back to the society. And, when an employee choses to join an organisation, leave the organization and join a new organization, it is the brand that matters. CSR is one of the branding activities and employee engagement is very much a part of.. [it]." (TechIT_CSR_Lead)

"..Our people feel an urge to participate and contribute.. and so CSR is beneficial to everyone. Alongside there is also community bonding and benefits. Therefore 'mutual benefits' are getting integrated with the idea of sustainable business." (MNC_HAD_Plant_Head_cum_CSR_Head)

In order to balance interests while complying with the law, there therefore appears to be a growing interest amongst the companies in more mutually beneficial CSR approaches.

5.5. Conclusion

This chapter has therefore illustrated how sense has been made of CSR after the law and has described the different components of this sensemaking process. It has described how the law has primed and edited sensemaking processes. A dominant sporadic philanthropic and low involvement approach to CSR has gradually been shaping into a more substantive CSR engagement or involvement approach in the presence of the law. Such an approach is more than ad-hoc philanthropy and has a greater focus on larger sustained social projects. The historic Indian legacy associated with corporate philanthropy, the current socio-economic context, and associated felt emotions have aided in the sensemaking. They have helped legitimise the law. With its focus on social development, CSR has been consolidated into an external looking corporate non-core welfare activity after the law, and management and decision makers generally appear to be in acceptance of this development. The chapter finally highlighted the gradual move being made by firms towards more strategic CSR approaches.

The next chapter will discuss CSR involvement by firms. It will talk about how although CSR spend has been mandated by law with governance requirements, involvement in CSR and its impact are still based largely on how leaders make sense of the law and implement it within their firms.

Chapter 6 CSR Involvement and Impact

6.1. Purpose and Aims

The previous chapter described sensemaking after the CSR law and illustrated different components of this sensemaking process. It described how the earlier predominantly sporadic philanthropic approach to CSR is gradually shaping into a more substantive CSR approach after the law which is more than ad-hoc philanthropy. CSR has however been legitimised and consolidated into an external looking corporate non-core welfare activity. The chapter also discussed the gradual move that is being made towards strategic CSR.

The Indian government hopes to tackle its socio-economic problems in part using corporate involvement in social projects through mandated CSR. However, whether this will actually create any lasting impact on socio-economic development and welfare would perhaps not only depend on the increase in spending on formalised CSR projects, but also on what corporates actually do within those projects and how they do it. It would depend on whom they engage with for those projects and how. Since CSR related decisions are mainly based on decision making at the leadership level, how leaders view and make sense of CSR dictate CSR related actions, and influence factors that affect how CSR is performed, affecting CSR related benefits and impact.

Given the flexibility within the law, organisations have ample space to enact (Weick, 1995, Weick et al., 2005) CSR activities that have varying impacts on the intended beneficiaries. If organisational leaders take an 'engagement' approach mainly targeting compliance, the benefits that are accrued appear mixed. If the organisational leaders take an 'involvement' approach, outcomes for beneficiaries are improved. This chapter therefore discusses factors influencing CSR benefit and impact. Both field interview and case study data have been used to explain these findings. After briefly looking at the existence of variations in CSR approaches at the different firms, this chapter discusses the key factors that influence whether the CSR approach taken lies on the

‘involvement’ or ‘engagement’ side of the CSR approach continuum. It then goes on to discuss how the approach taken influences CSR related impact, finally looking at the overall impact generated in the presence of the CSR law for the intended beneficiaries.

This chapter has the following aims:

1. To discuss variations in CSR approaches
2. To discuss the factors influencing whether the CSR efforts lie on the engagement or involvement side of the CSR approach continuum.
3. To discuss how the CSR approach taken influences impact.
4. To discuss the overall impact of the CSR law on the intended beneficiaries.

6.2. Variations in CSR Approach

While talking about the CSR Bill in 2014, the Minister of Corporate Affairs, Sachin Pilot, highlighted how “.. the ultimate objective of this exercise is not just to write a cheque and spend money, it’s how you deploy those funds. What are the outcomes..” (Google+Hangout with Shri Sachin Pilot on CSR, 2014). The DG and CEO of the Indian Institute of Corporate Affairs Dr. Bhaskar Chatterjee (2013a) through his presentation also discussed how CSR provisions made through the law will allow corporates to “harness and channelize their core competencies..” and that it “will promote and facilitate far better connect between business and communities” (pg. 3).

Whether the CSR law is actually generating greater benefit and impact, however, appears to be largely dependent on how companies have been making sense of the CSR requirements based on their specific interests and priorities. According to some, as has also been discussed in section 4.6 of chapter 4, spending on CSR has been merely a form of greater compliance or tax. Contrasting with this view, many others have believed that mandatory CSR has provided companies with an opportunity to do something for society (as observed in section 4.6 of chapter 4 and section 5.2.2 of chapter 5).

Leadership overall is the decision making authority in terms of CSR related decision making.

"The decisions about how to do, what to do, sources of finance all this is influenced by the top management only" (Pilot_Consultant_Indirect_VV_Director)

"This is presented to the Board of Trustees and the Board of Trustees generally decide whether we take up this project or not, or if there are 5 requirements, this year it is not possible to fulfill all 5 requirements," (TechIT_Infra_Lead)

Therefore CSR implementation depends on how company leaders make sense of CSR and the CSR requirements.

"..Mandate is [a] good thing, but companies should not look at it as [a] kind of compliance thing, they should look at it from [the] angle of opportunity to upgrade our society, then this activity or mandate will become really good. Attitude matters much. The attitude of companies, their leadership to look at CSR as some sort of compulsion is not good." (TechIT_Group of CSR Managers)

How CSR is made sense of and viewed, predominantly as a form of compliance or an opportunity for welfare (or maybe in between as a strategic endeavour for mutual gain), may therefore determine how companies actually engage with it. Such sensemaking would determine how they allocate resources and what mechanisms they put in for monitoring it (this will be discussed in detail in the coming sections of this chapter). It would determine whether companies try to engage in escape mechanisms to get compliance sorted or actually engage in CSR in spirit, and to what extent.

"There have been some instances where corporates have given things for the sake of giving without even knowing the meaning of the concept. I will not take the name of the organisation because it is a very big organization in India. They dumped the computers at a school. They [computers] are now there for two years. And the school doesn't know what to do with those. Now, we are setting up computer labs since these computers weren't connected at all. I don't know what value they are adding by doing such CSR activities. It should add value to the community." (TechIT_CSR_Hyd_Lead)

"Now I have been associated with the corporate world since three or four years. The ones that have been sincere, they are still sincere. And the ones that have not been sincere, there is no change in them.. like I said the 20% ones, they are extremely sincere

with respect to this work. And the remaining 80%, they only specify where the activity needs to be conducted, only intention being to show that they are doing some CSR." (Consultant_NW_CSR)

"So basically, corporate social responsibility existed way before. So there were many approaches, one way was philanthropic approach. So people were giving money to Mother Teresa's Trust and the work was done and they were not bothered about how it was being utilized. So there was an approach where people were giving donations and work was done. But now the work being done by corporates under CSR is such that they want to do the work, some companies are partnering with NGOs and getting it done, some companies are still just giving donations and the NGOs execute whatever they want. They give a proposal that they are working on so and so thing. Then, they don't have any interaction in between and they only see the final report.." (TECHIT_CSR_Head)

Given the flexibility within the requirements of the law (comply-or-explain, internal monitoring) and the way it is being enforced, companies have a large space to enact CSR activities. Depending upon how company leaders make sense of CSR in this situation, they may therefore take an approach that falls on a continuum that starts with CSR 'engagement' on one end and CSR 'involvement' on the other. A pure 'engagement' approach would entail companies engaging in CSR mainly to get their CSR compliance sorted, while an 'involvement' approach would entail more spirited corporate involvement going beyond mere compliance targeting greater welfare and impact.

The factors influencing whether the approach taken is on the 'engagement' or 'involvement' side of the continuum are discussed next.

6.2.1. Leadership Personal and Strategic Interests

Since leadership is the final decision making authority for CSR related decisions, leadership personal and strategic interests are important factors influencing the CSR approach that is taken by a company. The importance of leadership interests in generating greater CSR involvement was widely acknowledged and discussed during many interviews.

"That is because the people in authority themselves are not aware. The way our chairman is involved, they are not. If the managers themselves are not aware, who will look after it? Even in BuildCom, if we don't get orders from above, 9 out of 10 people will feel that CSR is a useless activity and that we shouldn't do it. Since our managers also feel that it should be done, we feel that ok, it might be good to do. That is the difference it makes." (BuildCom_CSR_Group of Manager)

"[no] they are extremely aware. Because in both places, [company names], very very senior level people look into it. So it's not like some manager level person is the head of CSR. Plant head or someone who is very very senior looks into CSR and that person has a lot of experience and [is] extremely well informed. So it's a serious thing." (Consultant_Indirect_VV_Director)

"I think [name], who is the Chairman [and] Managing Director of the company – he is the most influential person over here. He has a vision and ..[the] board of trustees help him. [Mainly] [t]wo people.. One, Mr [name of person]. He is ex-RBI person and he is also the ex-Managing Director of [organisation name]. He is on the Board of Trustees. So he tells us the administrative angle of the things. Conceptualising the vision is with [the chairman]. The practicality Mr. [name of person] tells us. And Mr [name of person], he is the other director of the company. He is the third person who gives us the practical angle of that. So those three people [are] a[n] amazing combination. One person has the vision, second person has the feasibility, and third person has [knowledge about] how to solve the practical problems. Those three people- they are the strength of TechIT Foundation. And the strength of CSR.. TechIT CSR." (TECHIT_CS_Head)

"The thing is, we have some very sane and long visionary leaders. So, therefore they are able to convince whoever is trying to put these questions to say, we were always doing, and we will continue to do, and this is part of business." (MNC_SUZ_CSR_Lead)

The next two subsections discuss the influence of leadership personal and strategic interests.

6.2.1.1. Leadership Personal Interests, Passion and Altruistic Interests

A genuine personal passion and interest of top organisational leaders relating to organisational CSR activity was observed as one of the key factors that influenced more CSR involvement within companies.

"in [company name] I think that the main person has personal interest." (Consultant_Indirect_VV_Director)

"At TechIT we have a separate branch that is TechIT Foundation and Mrs [chairman's wife] leads that. So, the most influential person here would be Mrs [chairman's wife] itself. And of course, there is the board of directors which ultimately take a call on which projects are to be selected and which shouldn't be. But, at any point of time they send out a mailer that [chairman's wife] is going to need 10 volunteers because she is going to help out in the traffic management. And so there will be 20 people interested in volunteering.. she is an inspiration. She is a strong lady and she has monthly meetings with all of us. She takes keen interest. It's not like she is only heading.." (TechIT_CSR_Goa_Lead)

".. So.. if we look at [name of company].. social activities are not new. So.. [the founder] who founded and built this empire, his second name is social. So.. he would do everything with a social ideology. So, he did a lot of work initially. He worked for music, he worked for the elderly.. he was a very active person in all the fields, business as well as social." (MED_GAD_CSR_Head)

TechIT's involvement in society, it was suggested on many occasions, had resulted from the personal interest of the chairman of the company. Interview participants at the company indicated how their founder's genuine involvement and serious interest in giving back to society had reflected through his philosophy of life, which he passionately referred to during his speeches. Observations revealed that his philosophy had inspired many inside as well as outside the organisation.

"However, to be very frank [chairman] and [chairman's family] in general strongly believe in giving back to society. Hence, they never restricted that to 1% because earlier it was a private company. Hence, in this company he was not responsible to investors or shareholders. So if he thought he is doing something good, he would give some more money. He never [had] any restriction in this regard and on [an] individual level he does a lot." (TECHIT_Infra_Lead)

".. you must have seen [the chairman's] philosophy [of].. "Learn, Earn and Return".. so time is that.. we should return back to the society. Well we have earned a lot for ourselves and we don't need .. much of.. money. So it's better if we return some part of it, by way of compulsion. But beyond this point, we should, if we are able to spare more, we should go one step ahead." (TECHIT_Vendor_Managt_Head)

The company's sustained involvement in CSR was therefore frequently associated with the vision and compassion of the company's chairman and leadership.

"Yes absolutely. It has been like this since Day 1. [Chairman] has been kind of very very focused on that front. He has got employees who agree with his viewpoint. It has kind of gone [down] to the grassroots now. Everyone at the bottom also feels the same way."
(TECHIT_Partner)

However, it was found that whether leadership personal passion and interest in social welfare actually induced greater CSR involvement also depended on the sense made by them of other factors, including other organisational priorities and interests (financial, strategic). For example, with respect to BuildCom, the chairman and a few other people from the management team who were interviewed also expressed deep personal interest in working on social causes.

"As a family itself we have been doing a lot of stuff. We have been doing it for many many years. When the law came in, we decided to also do a lot more focused activity within the CSR of the company itself." (BuildCom_Chairman)

"I go to various schools and colleges during my off time and during my evening. I go and impart my knowledge. I share my knowledge to the students. It is two-way benefit. Even I get to know [a] lot of things." (BuildCom_CSR_Manager)

However, unlike at TechIT where leadership personal interests seemed to have touched upon and influenced CSR activity at the company (ever since the past), personal passion and interests of leaders at BuildCom did not seem to have reflected upon the company's CSR before the law. BuildCom had very low CSR participation before implementation of the CSR law in 2014.

When enquired into a similar observation at the company SMRU, the chairman of the company suggested that although he had always been personally interested in social welfare, his company had been facing severe financial problems for several years. Hence CSR had not been their company's top priority.

"But.. the immediate next year, we had a severe financial crunch because of business issues, so we were not able to deploy those funds, not only because of operational issues, but also.. financial issues." (MED_SMRU_Owner)

6.2.1.2. Leadership Strategic Interests

As was observed especially in case of the MNCs in the dataset, greater strategic importance attached to CSR activity also appeared to influence greater CSR involvement.

"As far as [company name] is concerned, it's different. Our product lies in the communities. You know.. we are within the communities. Their neighbourhood is our factory literally because our [products] are day in and day out over there... now we are going to prepare an FAQ for our business teams so that they know what to say and what not to say [in case of community conflict].." (MNC_SUZ_CSR_Lead)

"[Name of Company] Foundation is actually all over India in 21 locations. In the 21 locations, wherever we have a plant, we have CSR activities. And [name of] Foundation has.. Community Development.. skill development.. interior development. Like Health.. water.. education.. skill development. Actually it depends on the local need, based on which work is done. It's not demand based.. its need based. The identification that we do of the nearby areas.. here for example in [name of place].. we have adopted 16 villages here. We are working in 16 villages.. and the programmes like Skill development.. that is not only there in the 16 villages.. the foundation.. for that we are working all over [the] state as well. Skill development training centre.. . And we believe in partnerships. Like we have partnered with the government.. there are many projects which are centrally co-ordinated.. organised.." (MNC_AC_CSR_Head)

Interestingly, as has been discussed in chapter 5, it was found that there has been a growing interest in approaches to CSR that target mutual gain through strategically inclined CSR after the law. Such approaches being mutually beneficial in orientation (with a promise of benefits to companies themselves through CSR), have been helping generate more importance for CSR within some companies, eg. BuildCom, which did not have much CSR engagement or involvement in the past.

"I think change in terms of the mindset [has] now started, as in.. people [have] started [to] look at CSR as important.. many people started looking at it as an important business tool." (BuildCom_CSR_Head)

Overall, greater strategic and personal interests of company leaders appeared to influence greater CSR involvement since they generated more will to get involved. The next section describes the different aspects of organisational structure and implementation processes pertaining to CSR, which are influenced by leadership personal and strategic interests and priorities, and which were found to influence whether the CSR approach taken by a company appeared on the 'involvement' or 'engagement' side of the continuum.

6.2.2. Organisational Structure pertaining to CSR and Implementation Processes

The organisational structure and implementation processes set up for CSR are an enactment of the sense that has been made by organisational leaders about CSR (and the CSR context), and reflect the strategic and personal interests of the organisational leaders. Such structures and processes determine who is involved and heard, and how CSR is actually implemented, thus affecting the CSR approach undertaken by the company. The following few sub-sections discuss the different components of organisational structure and implementation processes that influence whether the CSR approach taken by a company appears on the 'involvement' or 'engagement' side of the continuum.

6.2.2.1. Distribution of CSR Control

It was mentioned that with respect to BuildCom, CSR was mainly handled centrally by one person, the CSR head, who was the main person in-charge of all the CSR related operations. To aid in the implementation process at each plant location, CSR activities were then controlled by a handful of people who were given CSR related duties along-with their other everyday work.

"So here in BuildCom I am heading the entire CSR vertical." (BuildCom_CSR_Head)

"We have appointed one person who is full-time. And, who reports to another person and handles other jobs as well... this is one of the activities of the person. Now, every plant head and every zonal head for our marketing team has certain responsibilities to

be able to engage with the CSR head. We have kept our CSR organization lean because I did not want to spend a lot of admin cost in doing it.." (BuildCom_Chairman)

Such CSR administrative structures were also observed within other companies in the data set. It was observed that CSR was in most cases handled by a very small main team of people, and then employee volunteers were sought to aid in the actual implementation process.

"I am telling you seriously, so how it happens is, a message comes from above that 'we have to do a CSR activity in August', that translates into every team's responsibility, ok you talk to your NGO and ask what they require, if they need something.. then we get another set of people in our team involved to find out how we can acquire those things.." (MNC_Bank_Employee)

CSR was therefore found to be very narrowly controlled in many companies. The reason for this could have been that being an additional non-core business function, it was sensed that CSR could be handled by a small team of people. It could also have been because the CSR function needed to be kept low key, so that other more important core business functions would not be disrupted.

With respect to TechIT however, it was found that there was a distribution of control with respect to CSR. It was mentioned that CSR at the company was handled and managed by a large core team of people which was based at the company's headquarters. Separate CSR managers at the individual company locations handled the day to day CSR tasks.

It is evident that CSR at the company is handled and managed by a large core CSR team based at the headquarters. Here at the headquarters there is a CSR Head, a CSR Lead and four CSR managers. This is the foundation team that works closely with the company. Foundation is headed by the foundation head who is the wife of the chairman. The other locations have CSR managers who manage location specific CSR. All these people co-ordinate almost on a daily basis it seems. I can see quick phone calls being made to CSR managers at different locations every now and then (TechIT_Observation_8_19Sept).

Some people from the company's HR and finance teams supported the foundation's activities alongside their everyday work. So, every department

contributed their own skills as per necessity to the TechIT foundation as a charitable contribution.

"..However, for that we have tried to minimize the administration cost to 5% of the income. How it can be achieved? By reducing the administration expenses. How it can be achieved? Every department has to contribute its own activities to TechIT Foundation. For example, if TechIT Foundation is working, and they need some secretary activities, corporate secretary activities. We as a secretary department contribute our services as a charitable activity to TechIT Foundation. Similarly, [the] finance department also does. They have not hired any additional person. So, they manage between themselves, and they contribute to TechIT Foundation by contributing their own services. Similarly the HR department, similarly the admin department, similarly all other IT departments, etc. So that is the way how we contribute to TechIT Foundation. So that is employee contribution." (TechIT_CS_Head)

Such a distribution of control with respect to CSR entailed a greater CSR 'involvement' approach at TechIT, since it suggested that the company took CSR as a serious organisational activity and function. It suggested that the company was not afraid of dissent (by engaging different people in the management of CSR) and that the CSR was generally more discussed and thought out.

6.2.2.2. Processes for Stakeholder and Employee Participation

Whether the CSR approach of a company falls on the involvement or engagement side of the continuum is also influenced by and displayed through the importance that is accorded by the company's leaders to the involvement of the different stakeholders (such as beneficiaries, NGOs, implementations partners, management, employees etc.) in CSR implementation processes. Greater stakeholder participation in CSR, and hence processes fostering such participation would entail a greater involvement approach. This is because for better CSR governance and for sustained CSR benefit, power and participation are central issues that need to be addressed (Prieto- Carrón et al., 2006). This would entail an opportunity for different voices to be heard, and would also affect how feedback mechanisms are generated and sought. Such feedback mechanisms would be essential for matching beneficiary

requirements and for aiding in more benefit generation. The next two subsections discuss variations in CSR approaches with respect to stakeholder and employee participation.

6.2.2.2.1. Presence of Processes for Stakeholder Participation

MNC representatives like MNC_SUZ_CSR_Lead suggested how their company engaged in formalised beneficiary interactions and dialogue in-order to generate greater stakeholder and beneficiary involvement for a better CSR impact.

"so we started forming groups you know in the community and started working with them.. and we looked at initiatives which were more sustainable and took on.. otherwise we wouldn't really start the programmes. So these were some principles that we adopted. After about five years or so, now with lot of experimentation and piloting and all of that, we have come up with a model where we are forming village development communities in all the villages that we are present [in], we are formalising it rather than keeping it loose.. and each of these village development committees which is a representation of the people of the village, we want to make it sustainable in 4-5 years."
(MNC_SUZ_CSR_Lead)

With respect to TechIT, it was suggested that the company connected with its beneficiaries and other stakeholders directly through various interaction forums like its annual general meeting, CSR events and volunteering interventions. It was suggested that they also directly connected with their NGO partners and beneficiaries through frequent project visits and meetings with an aim of,

"..we are sponsoring a programme for you.. we are donating money for you, is there an impact? (TechIT_CSR_Nag_Lead)

In-fact, it was mentioned on some occasions how support at TechIT was also provided to NGO partners and beneficiaries going beyond the Foundation's requirement suggesting a deeper involvement with the implementation partners and beneficiaries.

"If we know a person who wishes to gain the benefits of education, the company goes beyond its policies and helps that person in any way possible. Somebody is coming

here for some educational purpose or for academic purpose, the doors are open to that person. That angle is there as well." (TECHIT_CS_Head)

At TechIT, projects are decided during quarterly trustee meetings which are open forums.

"We have a quarterly trustee meeting. So all these projects get sanctioned there.. and there is a complete discussion. We have the independent trustees, we have the leadership from TechIT on the board of Foundation, and our Finance team, we all are involved in that. So it's like an open debate, discussion.. why this.. why not this.. why only so much.. and all that. They discuss on everything. So I have seen it quite openly.."
(TechIT_Finance_Team)

In terms of CSR related decision making, the company's leadership is the most influential with respect to the final decision making. However, all stakeholders are heard.

"at implementation level, we have hierarchy, we have our core team, and there are trustees of foundation above it, who has final approval authority. Hence, when we present any project proposal, we have to consider [the] following: They all have much more experience than us, these are the people who [have] worked in different sectors, so each one of them has his/her own point of view. They ask us questions, of course it is expected that when we attend the meeting we have already done our homework. **At all levels all stakeholders are very important** and leadership is [the] final authority, they decide everything. In short, before we go to them with proposal/project, we study it completely and convince them how much this thing is required at which level and it is also important that while convincing them, they should think whether we are doing anything wrong because they are involved in it and they are experienced. From all this exercise fruitful decision emerges, which is "This can be done"- then we go ahead."
(TechIT_Group of CSR Managers)

The company therefore appeared interested in feedback from its beneficiaries and other stakeholders suggesting formalised stakeholder involvement processes and therefore also a higher CSR involvement approach.

Formalised processes or consistent beneficiary and stakeholder interactions was however not a recurring theme that emerged during interactions with other corporate representatives. The interactions mainly focused on what activities

the companies were doing in terms of their CSR and perhaps whom they were doing them with (eg. which NGOs and beneficiaries). This was perhaps because their companies did not sense the need to involve too many stakeholders (also linking with the distribution of control argument earlier), or because it was sensed that more stakeholder involvement would generate unwanted disruptions and distractions over a non-core business activity.

With respect to BuildCom, stakeholder participation appeared patchy at the very best. Like TechIT, projects at BuildCom are also decided at trustee meetings, however it was not highlighted whether they were open forums like at TechIT. Unlike at TechIT, there was no mention of any formal external interventions to seek beneficiary feedback during interactions or even within any CSR reports. Unlike TechIT, there was no mention of any other stakeholder voices being heard, although many stakeholders (like managers and employees) were part of the CSR operationalisation team. As will be discussed in chapter 7, observations even suggested that beneficiary voices were ignored or drowned. There was no mention of any open discussion forums, nor of any inputs entertained from other stakeholders like beneficiaries, NGOs or even employees, suggesting an overall low CSR involvement approach at the company.

However, greater stakeholder participation in CSR and processes fostering such participation would entail a greater involvement approach generating better CSR related outcomes and impact.

6.2.2.2.2. Presence of Processes fostering Employee Participation and Involvement

It was generally found that most of the companies in the data set encouraged their employees to participate in CSR.

"So.. and now some people also, like [name of company], [it] sends its employees directly to work with institutions. They encourage them. And for the period of time that they stay with them, [name of company] gives us double the amount of money against that. For the number of days that the employees work.. they are payed more.. So the employee becomes happy, NGO becomes happy and [name of company] feels that this

experience will cause something new in their lives and because of which they will also feel an affinity towards their company.." (NGO_S_Director)

Infact, it was suggested that encouragement of employee participation in CSR had increased after the law.

"Another thing that evolved at TechIT [is] that we were mainly doing donations and now it is slowly coming to the volunteering part also. So then, this was a radical shift in the last two years, again with the trust talking about it.. where-in we [have] also started giving importance to the volunteering part of it. So then TechIT got another angle to it, it is not only monetary donations but also voluntary donations – spending your time is also important. " (TechIT_Senior_HR)

Interviewer: "So when you say participation is increasing, so is this top level participation, or also employee level participation?

Interviewee: No no it is upto ground level. Upto worker level there is participation.. people are participating upto worker level also. That has increased."
(BuildCom_Manager2)

Many even took pride in the fact that their employees had displayed an increasing interest in CSR participation.

"Yes, now I was at the silver section [at company location] for a training. After the training 3 supervisors there came to me and asked me how they could be involved in all this.. So that is what we want." (MED_GAD_CSR_Head)

However, it was found that there was a difference in the actual 'enactment' of encouragement of employee participation in CSR at the different companies. This ranged from encouragement of genuine employee 'involvement' in CSR (engaging their emotions and intellect) to merely employee 'engagement' targeting participation numbers and "shifting the onus down". The next sub-section discusses this point in further detail.

6.2.2.2.2.1. Encouragement of Employee 'Involvement' vs Employee 'Engagement'

TechIT, it was suggested, had a four-hour-off-work CSR participation policy, where employees were encouraged to participate in CSR activities for four hours of their paid office time each year.

"So we have come with a policy... so [chairman] is really serious about employees investing their time, not investing only.. the money. So we run some donation drives internally. For [an] IT employee it is very easy to swap his card or pay Rs 500 from his salary, Rs 1,000 or even Rs 10,000 for that matter. But you ask for his time for volunteering, he is not that keen or probably or there is probably a lack of employees coming [forward] to do that. [Chairman] was serious about it. During one of the meetings he said that we should design some policy for the employees saying if you work for four hours, your four hours is kind of an... we will allow you to regularize that, but you are allowed to take out time from your current working hours and you could do CSR."
(TECHIT_Admin)

The involved employee volunteers played an alternative role within the CSR domain acting as volunteers for some activities while also becoming active co-ordinators for some others. Overall, the employees displayed a keen interest in their organisational CSR activities.

"Yes, for some activities we are volunteers, some activities we are co-ordinating."
(TechIT_CSR_Volunteer)

Apart from TechIT's own CSR activities, it was found that the company also encouraged employees to support charities and student sponsorship programmes at their own individual levels (this was not part of CSR funding).

"So.. he [chairman] strongly feels about volunteering and donation.."
(TechIT_CSR_Head)

It was therefore found that the company encouraged and expected employees to be personally involved, also with their own time and money, in the company's CSR activities. Due to this, interestingly, while reflecting on their involvement, employees at TechIT displayed a visible interest and in some cases genuine commitment towards their company's CSR. It appeared as

though the employees were not just 'engaged' in CSR, but were also actively 'involved' in the activities.

"So in TechIT we have the CSR activities running [on a] very very large scale and we are reaching out to remote places where nobody can go.. but on the other hand we are trying to make them self-dependant as well. So as a corporate, in TechIT, what we are doing is we are giving to.. where nobody else can go. But on the other hand we are making them self-dependant so that they can help others as well, they can continue the good work." (TECHIT_CSR_Volunteer)

"For instance at a school, if I ask for a volunteer for computer education, so many volunteers were ready that I was not able to check. If I train four teachers in [the] school then my main purpose will die. And instead of that what we have done is that I have engaged with four more schools. I just check my volunteer strength then I expand my area." (TechIT_CSR_Hyd_Lead)

Since the company's chairman was also personally interested in CSR (as discussed earlier), the personal appeals that were made by him to encourage employees to work towards social welfare through CSR seemed to have led more employees to get involved. Employees being important organisational stakeholders, involved employees through their participation and feedback would contribute to greater overall CSR involvement at the company level.

With respect to BuildCom, it was found that like TechIT the company also encouraged employee participation in CSR. It also encouraged in-kind donations through contribution of employees' time, and like TechIT, BuildCom also had a four-hour CSR participation policy per year to encourage employee volunteering (BuildCom_AnRpt_2017-18_pg.30). The BuildCom annual report (BuildCom_AnRpt_2017-18_pg.30) therefore also reflects growing employee participation numbers at the company year on year.

good numbers. During 2017-18 a total of 1082 employees participated in PSR activities and contributed 2014 man-hours for Social Change. The previous year 800 people had participated in such PSR initiatives.

Figure 6-1: Screenshot from BuildCom annual report 2017-189

It was found that the company encouraged employees to contribute towards CSR through an activity called “PSR”¹ or “Personal Social Responsibility” where there was a focus on encouraging employees to carry out social welfare activities at their own individual level. Such activities would sometimes be sponsored through the company’s CSR funds, however they were employee led and very enthusiastically encouraged by the management. This was done in-order to “inculcate the habit of social responsibility in every team member” according to the company’s annual report (BuildCom_AnRpt_2014-15_pg.23).

"Because of PSR, we have been able to get people involved. If they are involved, I do not need volunteers and manpower. In fact, people who are doing it and doing it for four hours now, during weekends and things like that. Those who are not doing right now.. [they] will begin soon." (BuildCom_Chairman)

As has also been discussed in the earlier chapter however, the history of this PSR activity reveals that it was actually a failed strategic individualisation attempt in anticipation of the CSR law before it was passed, and which had been thwarted by the law after it was implemented (employee hours cannot be monetized and counted towards CSR spend).

An interesting quote by the chairman in this regard suggested how by encouraging employees to get involved in CSR and by promoting PSR activities, the company had been trying to “Shift the Onus down” and make CSR operations “Lean” (BuildCom_Chairman).

"The CSR guy that we have, the one who heads the CSR is very junior. He is not a senior person. He is more of an implementing agent. He has lots of ideas, lots of thoughts, so he is able to coordinate a lot of stuff. We have pushed the onus down... because of PSR we have been able to push the onus down. I think this is the right way to do it." (BuildCom_Chairman)

¹ The name of the activity has been changed in order to maintain confidentiality and anonymity.

Therefore, although there seemed to be an interest in welfare through CSR (or PSR), there appeared to be more interest in individualising CSR through employees and making the CSR structure more lean.

Interestingly, to encourage more employee participation, the leadership of the company also seemed to engage in episodes of emotion ridden sensegiving activities targeted at the company's employees.

"One person said that we are going to clean [the] road outside our office premises. I said okay fine no problem. Again I asked, is this sustainable? Is it worth your intellect? You are not a sweeper. For you to sweep, you are not adding value. Initially you want to do it, no problem. See, as long as a person is learning to give, break his ego, learning to realise that he/she is far more blessed than the other person, itself is a big thing. It is huge gratitude. So, as long as that is happening, my job is done. My people are becoming more sensitive. My people are becoming more large hearted."
(BuildCom_Chairman)

The company's approach to encourage employee participation (which mainly started in anticipation and in the presence of the law), did not appear to have generated the same level of employee interest and involvement in CSR as that which was generated at TechIT. The company's low involvement approach perhaps sent out mixed messages about the company's intentions which were sensed by the employees. Interestingly, it was observed during interviews that although managers at the company displayed some knowledge about CSR activity at the company, the level of their involvement appeared generally low.

Interviewer: "Are you involved in CSR?"

Interviewee: Not directly because I cannot spare time. But OK, I feel I must do something." (BuildCom_General Manager)

The enthusiasm that was observed among employees at TechIT pertaining to their CSR participation was not similarly observed at BuildCom (BuildCom_Observation_21Feb). Unlike at TechIT, it was observed that finding employees who were genuinely interested in speaking to the researcher about their CSR participation was also not easy.

One of the persons I wished to catch hold of in-order to interview (after my interview with the HR) just slipped away quietly while I was talking to another person in [name of company location] (BuildCom_Observation_21Feb)

6.2.2.3. **Focus on Qualitative Impact**

Most company representatives displayed an interest in the benefits accrued through their company's CSR efforts.

"That's why I said.. when we say we have taught people.. we will ask for the reports for 87 people and make random checks. The CSR circle only completes when we have helped someone and that benefits them." (BuildCom_Plant_Head)

"We want to donate only where people are actually getting benefited" (MED_CS cum CSR Manager)

"We started the 'yes' programme for drop-out youth.. to teach garage mechanic skills, a six months training course with good employability.." (MNC_HAD_Plant Head cum CSR Head)

"So, in that perspective, we have been spending this money in a way which we feel can benefit whatever number of people we can reach out to in a...you can say, a manner which is making a real difference. So, the idea is not just to you know... so for example if you spread too thin, that's where we take a call whether it will get dissipated and the benefit will not really be making a difference for them to feel something different.." (TechIT_Finance_Head)

It was interesting to note however that although most or all company representatives displayed an active interest in the results, outcomes and the impact generated through their CSR activities, there seemed to be a difference in the 'form' of impact that their companies targeted. It appeared as though some companies mainly targeted impact in 'quantitative' terms (eg. in terms of *how many* people have been benefited, how many houses have been built, how many students have been educated etc.) while some others focused on the 'qualitative' aspects of the impact that their CSR activities created.

At TechIT for example, it was suggested that quality related matters were increasingly being focused upon with respect to their CSR.

"Cataract surgeries take place [for] Rs 1,000 also and Rs 10,000 also. But what [is the] quality of services that I am going to offer to my beneficiaries, that also matters a lot."
(TechIt_CSR_Lead)

"So, it is a little less or you can say... it is like a call – either you benefit a large number of people in a large way or you benefit few people, few in the sense there are still many, but few villages in a really significant manner which creates an impact. If you try to affect large number of people in [a] small way, it will be dissipated somewhere. And, people will not experience the benefit." (TECHIT_Finance_Head)

Discussions at TechIT also revealed a genuine interest in targeting qualitative impact.

"I have been a panellist for the first and second round of interview [for the girl's scholarship programme]. So, I know [the girls] personally. Because I kept meeting them... We are also mentoring the girls now. That programme, to be very honest, is not totally successful. Because one-to-one mentoring we want. So, we want the employees, and that is especially what trustees want, that employees should mentor the girls... We select 40 girls.. So, we want to mentor those girls so that we enable them for future careers. So, mentoring should ideally include talking to them, making them comfortable, helping them sort out their personal problems, their technical problems, their project-related problems." (TECHIT_CSR_Head)

Such participant insights revealed an interest in the subjective wellbeing of the individual beneficiaries at TechIT.

In other cases like BuildCom, discussions mainly revealed an interest in generating benefits in quantitative terms.

"We have already found that after a few weeks of training the people, their wages have gone up by 50%. It has been a huge impact there as well. We are also doing other things around our factories, which is you know, sports activities, tobacco control, within the community, within the village. So different activities are being done."
(BuildCom_Chairman)

"[W]e conducted this for 2 years there. There were no problems. In the beginning the numbers were less. But slowly.. it was a 6 month course, so in that 4 years.. many women came in.. even some students of 10th class came there and we trained them as well." (BuildCom_Plant_Head)

With regards to focus on impact in qualitative or quantitative terms, an interview participant explained how it is generally very difficult to measure qualitative benefits.

Interviewee: "... they say "I will give you Rs 10 lakh and you go and build me 50 toilets". It's a quantifiable room being built.. So, basically, the companies retract when I say that I am going to focus on many [intangible and qualitative] outcomes which is very scary for companies because they say this is kind of in the air.

Interviewer: True. It is very intangible, and you can't really do a headcount as such.

Interviewee: So, what we are trying to do is we are trying to quantify what we are doing – our effort basically – we take tests and we keep measuring the outcomes. And, we keep presenting to TechIT about what the outcomes are, what the teachers feel, we keep taking photographs, we keep documenting stuff which basically helps them in their compliances reports which they file with the government. So basically, I think, you know, it is more of not the innovation, it is more of as I said the quantifiability of the project which matters the most." (TechIT_Partner)"

According to the requirements of the CSR law, companies have to report on their CSR in their annual reports. It is easier in this situation to engage in and focus on generating quantitative benefits (eg. build rooms in village schools) rather than on the finer qualitative aspects of beneficiary benefits (eg. generating access to quality education and measuring the qualitative impact generated). Qualitative benefits are generally difficult to quantify and measure, and therefore also report on.

A company's focus on qualitative impact would therefore entail moving beyond 'head count' terms and taking the more difficult route to generate deeper and greater impact. This would entail greater involvement in the subjective aspects of beneficiary well-being, and therefore companies that focus on qualitative aspects of impact would display an approach that is more on the 'involvement' side of the continuum, perhaps generating more long-lasting outcomes.

6.2.2.4. Planning processes for CSR and Focus on Internal Monitoring

The extent of planning performed for CSR activity was another factor that was found to influence where it appeared on the engagement-involvement continuum.

Some companies appeared to engage in meticulous planning for conducting their CSR. MNC_SUZ_CSR_Lead described how their company engaged in sophisticated planning and implementation processes targeting maximum impact.

"So, we believe that if you can't measure something and if you can't say ..and if you don't have a quality measure, just like a product, so now we have a checklist for – animal camp means what? If you call one animal .. [to participate in the camp].. can I say that I have done [an] animal camp? You cannot say. Unless you have some minimum basic things... Measurement is tough. But we believe that if you don't measure, and if you cannot talk, then go as an NGO and do some charity somewhere.. no one will ask you. You get money, you spend [it]. We are here within the Business. We want to ensure that [company name] earns a clean green profit. And if it does, and we don't want.. [the] money given to us.. treated as [an] expense. We want to say that this is your [the company's] investment. So I want [to] say that this is the return of your investment that we are giving you! So that's why we measure a lot, and we have quality parameters. And we have audits just like my counterparts who are in finance and admin and etc."
(MNC_SUZ_CSR_Lead)

At TechIT, a representative enumerated the steps undertaken by the company to conduct their CSR.

"Then we conduct a before and after analysis. We go to the project site before they start the programme, we make a report of it.. after the programme we make an impact report. You know that our programme has made this impact.. so unless you have a good co-ordination with your NGOs or your implementing partners, it cannot workout.."
(TECHIT_CSR_Nag_Lead)

A few others as well discussed how their CSR was carefully planned and implemented.

Interviewee: "Absolutely. It's like now we are doing actual social projects as per section 135. The section VII given under it.. we have to do according to the guidelines only. So

we supported the [name of] foundation. There what we did was that we supported an athlete.. But again, it was not sponsorship route. We developed a project. In that what we did was we defined a structure for everyone and everybody. So what we do is we get the proposal first on a prescribed format in which the backlog of the last three years for that organisation is checked.. everything is checked, background is checked, their returns are checked and their activities are checked.. and in that proposal itself there is a mention about how the review mechanism will be. For example if I am supporting an athlete, how will his review be and how I will get his feedback that yes, he or she is doing good..

Interviewer: So impact assessment..

Interviewee: Yes, so entire review. So I get the report. So every quarterly I get a report from that NGO how things are going currently.. " (MED_GAD_CSR_Head)

However, it was indicated during a few other interactions (also see quote by TECHIT_CSR_Head in the 'Variations in CSR Approach' section), that such detailed planning did not always happen. This was especially true when corporates worked through NGO and implementation partners.

"..I am working with 20 [corporate] partners. Each partner has their own niche area how they want to work. Some are very detailed, they will go right into the minute detail "where did you spend so much money.." Some just give you the money and "do what you like with it and give one year's report". Some want every quarterly report. Some say even if you give report after 5 years it is okay, at the end of the project." (NGO_LP_Director)

Such observations indicated that some companies still (after the law) acted as mere funding providers with the lowest possible engagement in CSR in-order to get their compliances covered.

In such low-involvement cases, the impact created through CSR would depend on the reliability of the NGOs or implementation partners that they choose to work with.

6.2.2.4.1. Focus on Internal Monitoring

Another important aspect also associated with the planning process that was found to influence a company's CSR approach and where it appeared on the

engagement-involvement continuum concerned the form of formal or informal internal monitoring mechanisms that the company employed.

Apart from the MNC representatives discussed earlier and the representatives of TechIT, very few interview participants focused on the internal monitoring part of their CSR activities, and the steps that they undertook in this regard. It was found that most companies implemented their CSR through agencies (NGOs and implementation partners) and expected such agencies to provide them with reports (see NGO_LP_Director's quote in the earlier section).

Such observations suggested that many companies perhaps did not sense a need to take an extra effort to get involved in more internal monitoring. For greater CSR involvement targeting better impact, as also envisioned by the policy-makers (chapter 4), an active interest in rigorous CSR assessments would perhaps however be essential.

"Normally.. "we have four months: November December January and February. In that we have these funds, these all are the activities, these are the sectors we wish to work in. You are the best planner, you tell us, raise the bill and take your money". Only a selected [set of few companies].. as in if you leave about 20% of corporates, for the rest CSR is a tick mark activity. And.. there are only 20% genuine people who actually come and see whether it is really reaching.. where it is supposed to reach and the funds given .. are they really necessary. For example, we did this cleanliness drive, Now what was the importance of it.. now if something [some fund] is given to an NGO, then the NGO does something and produces photographs. But some corporates especially go along-with the NGOs, look at the activity themselves specifically, rope in their volunteers in it. So it's like.. the NGO just takes the theme, it accepts the theme.. the implementation is with the NGO, but it is like a partnership between the NGO and the corporate. In such cases, the effectiveness is very good." (Consultant_NW_CSR)

In a few instances, mismatches were observed between actual beneficiary requirements and the facilities or trainings that were being provided to them through CSR activity (this will again be discussed in the last section of this chapter).

"Yes ma'am they had sent me to an interview.. for which I had gone.. but there.. my line [core-competency] was different. They said you will have to work in the computer

department or something like that.. my department was mechanical... I didn't do the training properly because my heart was broken. My confidence had lowered. Because I wanted to do a job in BuildCom, but they didn't take my interview.. my interview .. they saw my performance and kicked me out." (BuildCom_beneficiary3)

Such observations suggested a lack of formal beneficiary feedback mechanisms and also flaws in the internal monitoring systems. At BuildCom again, none of the interviews focused on the internal monitoring aspect of the company's CSR. This again suggested an overall low involvement approach of the company. In an informal conversation, the CSR head of the company, when asked about the company's internal monitoring mechanisms, mentioned how,

"..[w]e are still developing such mechanism.. in-fact, you [the researcher] could provide us with some inputs, that would be much appreciated" (BuildCom_Informal_CSR Head_21Feb)

The form of internal monitoring mechanisms engaged in by a company was therefore found to be an important factor determining where the company was located on the involvement-engagement continuum.

6.2.2.5. Where CSR sits within the organisation and Who Conducts CSR

Whether the CSR approach of an organisation sat on the engagement or involvement side of the continuum was also found to be influenced by where CSR sat within the organisation itself and who conducted it.

".. certain companies have kept CSR under corporate communication, certain companies have kept CSR under HR, certain companies have kept CSR under Corporate Affairs, certain have kept it as a different department.. again, the companies which have kept CSR under corporate communication, they are mostly into the right based activities, and they have also included their brand promotion part in that part. The companies where you will see the CSR with the Human Resource, you will see that, ok, through the CSR thing, or through the skill development programme, they are also in the process to develop the workforce, for the company, not for the companies.. build for their subsidiary business.." (BuildCom_CSR_Head)

"There is a company called [name of company], what it does is it has appointed its own four social workers, and they themselves go into the field and work. So the company directly goes into the field. Without any NGO." (TECHIT_NGO_Partner2)

Thus the location of the CSR function within an organisation, it was mentioned, shapes and determines the level of involvement, and influences the CSR activities that are performed. Such organisational structures also determine “Who” is chosen to handle CSR in the companies or who is partnered with for running CSR projects. For example, as was discussed, CSR is handled at TechIT by the TechIT Foundation which has a large number of social workers working together on CSR activities, generating a welfare focused CSR enactment. BuildCom also has a BuildCom Foundation which is handled mainly by one person who is also a social worker. However, this social worker has a very strategic focus generating a strategically focused CSR inclination and approach (this will again be discussed in chapter 7). The CSR that is actually enacted and the involvement that is displayed in it therefore depends to a large extent on the approach undertaken by such chosen people.

“And.. there are two things.. a lot of times.. who is overlooking the CSR department decides.. things depend on that. If the person in charge was into fieldwork in the past.. then [their] approach is very good. Eg. [CSR manager name] of TechIT. She has worked on field work. She knows how many problems are faced by people on the field...”
(TECHIT_NGO_Partner2)

Whether the CSR approach of a company falls on the ‘involvement’ or ‘engagement’ side of the continuum is therefore also largely influenced by how CSR departments are organised within companies and who is made in-charge of them.

6.3. Effect of variations in CSR Approaches on Impact

Overall, it can be noted that whether CSR efforts fall on the ‘engagement’ or ‘involvement’ side of the CSR approach continuum depends on the sense that is made by the organisational leaders about CSR and the mandated CSR situation. Such sensemaking is influenced by their personal and strategic interests and priorities, which also influence how CSR is organised and implemented within these organisations. The following section discusses the effects of the variations in CSR approaches on impact.

6.3.1. Comparison of Impact Generated by the Two Case Companies

In-order to evaluate how differences in CSR approaches affect CSR related outcomes and impact, this section discusses how the CSR approach taken by each of the two case companies has affected their CSR related outcomes.

As has been discussed, TechIT has had a sustained involvement in CSR with a distributed CSR control, processes for stakeholder participation, a focus on qualitative aspects of CSR, and an interest in planning and formal internal monitoring and assessment. On the spectrum of engagement and involvement therefore, TechIT's CSR approach lies somewhere closer to the opportunity or 'involvement' end of the continuum.

The company, it was informed, had been evolving its CSR engagement through trial and error and had been making incremental changes in their CSR since the company first began CSR in the 1990s.

"So that way it has increased. And day by day it will increase. Because for us, as I mentioned, we were on a very small scale and now we are increasing. This [is] the first project, one crore fifty-five lacs.. We are in progressing phase. We don't identify ourselves as a big trust. We don't identify us as a big corpus of people.. But we are progressing that is what we can definitely tell you. It's a[n] evolving process.. And we have [been] improving.. day by day." (TECHIT_CS_Head)

It was suggested that there had therefore been an emphasis on the continuous evolution and transformation of the processes through which they conducted their CSR, and the law had helped accelerate this involvement. Interactions overall suggested how the CSR involvement at TechIT had been deep, and that the management had exhibited a keen interest in developing it further. Without much probing, interview participants revealed how TechIT has had a genuine CSR involvement.

"So we are not doing CSR for the sake of CSR. We have our team, we have deployed them, we are paying them with all the facilities and amenities and then asking them to do genuine CSR. So for us, I think this is a serious business." (TECHIT_Admin)

Overall, the CSR involvement at TechIT was found to be inclusive, well organised and 'spirited'.

Ever since and even before the law, it was found that TechIT had been receiving recognition for their work through different forums, and had been awarded several times for the impact that their CSR activities had created. (BuildCom_FoundationWebsite_Media&News).

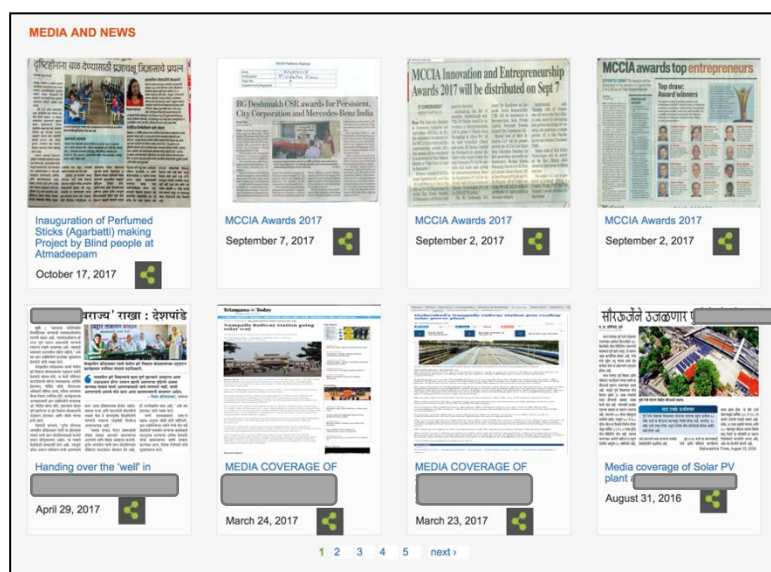


Figure 6-2: TechIT's CSR initiatives in the print media

During interactions, stakeholders and beneficiaries of the company overall seemed positive with respect to the help and support that they were receiving from the company.

"if we had not received funds from TechIT for the past 4 years, we would not have been able to do so many surgeries. It impacts the lives of these villagers directly. Our organisation/trust only acts as a catalyst or a mediator in this matter." (TechIT_NGO_Partner)

Visit to a few houses in the slum: I arrive at the house with a TechIT employee and a CSR manager. The family members welcome us with a smile. The overall setting is informal and friendly. They offer tea and refreshments and insist we have some biscuits. We sit on the floor. They talk about the progress of their child, the father mentions that his child goes to school every-day without fail. The child goes to an 'Abhyasika' or tuition at the school in the evening which he says is very good. The children are called into the

living room of the house where we are seated and TechIT employees who sponsor them through their donations [donations encouraged by TechIT] ask them a few general questions like what are you studying now? Do you like it?, about their well-being and education. Although the parents know that the people visiting them are from TechIT, I was told earlier that the identity of the sponsoring employees is hidden from the beneficiaries and their families. The parents proudly talk about their children who are doing well in school by saying "he received good marks" and "he is very sincere". (TechIT_Observation_SlumChildren)

The overall impact of the CSR approach at TechIT therefore appeared quite positive.

Buildcom mainly started CSR after the law was implemented. There was a narrow distribution of control at the company, no formalised or effective processes for stakeholder participation, an interest in individualisation of CSR effort and an overall low level of interest in internal monitoring or for addressing deeper qualitative issues concerning the beneficiaries. BuildCom's low involvement approach at this point therefore appeared to fall somewhere in the middle or closer to the engagement end of the continuum. In comparison with TechIT, CSR engagement at BuildCom appeared rather toned down.

While discussing the impact created by CSR after the law, the CSR Head of the company mentioned how he believed that there had indeed been changes in CSR practice after the law. However, he suggested that he himself did not believe that CSR after the law had been instrumental in generating any additional benefits to any beneficiaries.

"..I would not comment that it [has].. changed [much] at the beneficiary level, because it is not something that the corporates are doing.. that earlier was not happening. The government has so many projects, and the NGOs and international NGOs were very active in implementing such community development projects. So, beneficiaries were engaged in those processes from long. Now for them there is another source of project by.. BuildCom." (BuildCom_CSR_Head)

Interviews with beneficiaries at BuildCom suggested mixed responses in terms of impact. Some beneficiaries suggested that they had indeed benefitted through the company's CSR activity, for example,

Interviewer: "So was he [your father] looking for something for you [to do] anyway..?"

Interviewee: "Yes.. he was looking for something.. he was thinking that if something can happen.. and a certificate can also be gained.. it would be even better.. So my father asked me to learn stitching here.. he brought me here and got me admitted. So after that I started stitching.." (BuildCom_Beneficiary_Girl1)

"There has been a lot of benefit.. my knowledge has improved.. my computer base has strengthened.." (BuildCom_beneficiary5)

Some others however commented how they had not benefited at all.

"No, I had no benefit from it. There were two people there. There was a girl there from [name of town] and one person from somewhere else. We learnt what we could by ourselves.. They wouldn't even come to us and tell us that this is not done this way but that.. nothing. If we would go [for the training] we would have to look after ourselves. That's all. Nobody told us what we were doing wrong .. so, what is the use of it? It would have been useful if.. I don't know.. They were asking us to write an exam. But how do you write an exam if you don't know anything. So, I dint go. They called me up as well asking me to write the exam. But what benefit was going to come out of that? No benefit. I dint know anything." (BuildCom_Beneficiary)

Not surprisingly, one of the plant level CSR managers at BuildCom mentioned during an interaction how he did not see a lot of tangible value generated through many of the projects that were being undertaken by the company.

"Compared to the amount of spending, the impact is not visible. That is what I feel personally. Because many of the students...you have taught them the basic course. But there is no demand for the basic course.. He has learnt, that's ok. But what was our aim? Was our aim to simply give him knowledge or make him ready for employment? That has not been clear to me till now. And if we had to get him ready for employment then maybe we have not achieved that aim totally. If past stakeholders have been placed somewhere, I do not know about it. The students who are studying – either their qualification or their course is not enough that they can be useful to the industry yet. In such cases how much is employment a possibility for them, I have no idea. But say this other centre, the one that teaches sewing to girls...sewing as a skill for a woman is such that she may take it further and develop it into a business or she may just make use of it for only her family. So, projects like that, where you are increasing the skills of an individual by making him or her self-dependent, that I think will be much more beneficial. Otherwise, if you make a person do a course and then feel after a few months that the

course has to be completely updated...these days, even a BTech degree does not guarantee a job. So, a basic course won't make much difference. It is my personal opinion." (BuildCom_CSR_Group of Managers)

Overall, the approach to CSR that is followed by a company indeed affects its CSR outcomes. Given the flexibility within the law, organisations have a great deal of space to enact CSR activities that have varying impacts on the intended beneficiaries. If organisational leaders take more of an 'engagement' approach (eg. BuildCom), the benefits appear mixed, and perhaps based on chance. If the organisational leaders take a more 'involvement' (eg. TechIT) approach, outcomes for beneficiaries are improved.

6.4. Overall Impact on the Intended Beneficiaries

Taking an overall view, the benefits generated after the law therefore again fall somewhere on another continuum which stretches from no benefits on one end to perceptions of genuine benefits on the other.

Based on the discussions in this chapter and also in chapter 5, it is evident that the CSR law has indeed generated more focus on CSR and social welfare.

"According to me because of CSR the corporate involvement in society, in our institutions has been increasing.." (NGO_S_Director)

Due to this, according to some like MNC_Bank_VP,

"..the law has channelised energy and has opened up future possibilities and opportunities for beneficiaries." (MNC_Bank_VP)

As was indicated in the earlier section, some direct interactions with beneficiaries indicated recognition of positive benefits through such increasing number of CSR activities.

"The facilities that are being provided are helping attract more students [beneficiaries to school]". (MED_GAD_Beneficiary)

At TechIT, it was suggested that the company was making an effort to match their CSR activities with beneficiary requirements in-order to ensure that no gaps existed and positive benefits were accrued.

"[W]e are also evolving. It is a progressing stage. Many times, we lack in empathy.. I want to give.. you [something through my CSR]. This is what is fixed. But what do you want is something different. If that is the case, [there is an] expectation mismatch. So, the benefit that I give to you may not be that much benefit[ial] for you. You may be expecting something else. So that expectation mismatch should be avoided. How to avoid it? By constantly communicating to each other. And that thing is something which.. we come to know when we meet each other. For example, if the agency comes to know that this trust has a potential of helping us in this manner, next time they come to us with some other proposal. They say that last time you did this, now this is the next proposal. Would you like to contribute? And accordingly, we go hand-in-hand. So, they are partners, we can say." (TechIT_CS_Head)

However, other empirical evidence also suggested that differences and gaps still existed in the services and facilities that were being provided by the corporates and the actual requirements of the beneficiaries. It was observed that corporates were either unable to provide what beneficiaries actually needed, or did not understand (or wish to understand) their requirement altogether. Thus, corporate help and support in some cases seemed to have been rendered of secondary value (this has already been discussed with reference to BuildCom).

"..they have painted our school with educational material, provided us with facilities, a learning centre etc. However, our main problem is the availability of teachers, since the school is in a remote area.." (MED_GAD_Beneficiary)

At times, it appeared as though the available funds were not being utilised effectively, and got scattered along the way. This minimised the benefit reaching the beneficiaries.

"Secondly.. there are some NGOs.. or some CSR [activities].. for example, what TechIT does is they give [funding] to [name of] Foundation.. [which is] an NGO. So, it [TechIT] says to [name of foundation] that we have given you this much money you do [your work] with that. [name of foundation] searches for 4 other NGOs. So that chain.. increases." (TechIT_NGO_Partner2)

Thus it was found that although there are benefits accrued to the intended beneficiaries of CSR after the law, the question still remains whether corporate CSR funds are being completely utilised for the most pressing concerns and making any real difference. It was discussed in chapter 5 earlier that the CSR law has generated positive anticipation for some in relation to the benefits that it could potentially produce for society in the long run. However, in reality, some other people suggested that the CSR law has, at-least in the present time, not achieved any clearly visible extra benefits for the intended beneficiaries.

Interviewer: ".. [S]o with beneficiaries.. or employees.. has this changed in the last two years after the Government mandate coming in?"

Interviewee: "No.. here it has not happened. The community does not have much awareness.... No awareness .. how will the community come to know about the CSR law? So no.. there hasn't been any drastic change.." ...

Interviewer: "Do you think.. that there has been any [extra] benefit to beneficiaries [after the law]?.."

Interviewee: "No.. we are the oldest [company].. that are doing CSR.. we don't see any changes as such in the locality" (MNC_AC_CSR_Head)

"..Whenever we visit the communities, it feels like no one is really bothered. It feels like there is a lack of civic sense, and nobody really cares. Children are pulled to the doorstep school [that the company funds], although the children are not really interested. There is nothing that is coming out wishfully from the state. Beneficiaries do not understand the value of the work that we wish to do." (MNC_AL_CSR Manager cum Sr Manager)

"See.. in terms of.. if the objective is only to increase the amount of resources that get spent in the community.. then its ok. If that is the aim. If the aim is sustainable development, it does not meet the target or it misses the mark hugely. Because it's now putting pressure on people to end up spending money which they would have very well spent and brought about sustainable development probably by investing in operations or whatever. So it's like a forced way of making them [companies] spend in community development which for them and their operations, may not have been relevant.. or maybe less relevant." (MNC_SUZ_CSR_Lead)

With an increasing focus on strategic approaches, it was suggested that the law has also generated an urban focus. It was found that a few areas were acquiring more corporate attention, while a few other genuinely deprived areas were still not being covered under CSR.

"..Third is people are not ready to go out of their comfort zone. For example, you are based in [city name] or someone based in [city name], he or she is not willing to go to rural areas and work there... they will like to.. do everything in [city name] only. They are not willing to go out. They do not want to go through [the] hassle. So, there is no manpower available who is willing [to] whole hearted[ly] go in the rural areas and implement [CSR]." (Consultant_G_CSR)

"..so the companies have set areas.. so for example, there is more concentration of work in the urban areas than in the rural areas. So only in restricted areas. So that is a thing.. that.. the companies are working only in a limited number of areas." (TechIT_NGO_Partner1)

Such observations also align with the CSR implementation data from the "National CSR portal" website which highlights how there is more CSR focus in the industrialised parts of the country. The lesser developed parts of the country are still largely being left unattended (see figure 6-3).

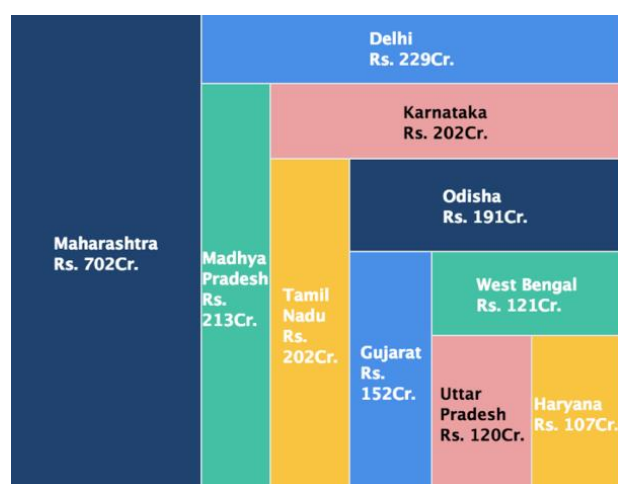


Figure 6-3: CSR Spend by region 2015-16 showing the most spending in the industrialized state of Maharashtra [1 Cr = 10 million] (National CSR Data Portal. Ministry of Corporate Affairs Government of India, 2017)

Some interesting trends also seemed to have emerged. For example, a fascinating comment by NGO_N_Director indicated how some corporates actually “hunted” for beneficiaries after initially choosing the causes that they wished to support.

"What is happening is many decisions in this are impulsive. ... like I get phone calls.. “we have planned to do this, so are there any beneficiaries..?” then they hunt. Like sometimes there are different exhibitions in the city. They give us some stalls to install there. Saying “Display your work through this”. So.. the corporates are hunting for things.. for example we want to do something about ‘women empowerment’ now. Then where can we go? Then we want to do something relating to watershed management. Where can we go?” (NGO_N_Director)

This has led to an uneven distribution of CSR benefits. Although CSR engagement has been increasing, the focus, it was suggested by some, has chiefly been on spend and compliance. With increasing shareholder and top management attention due to the legal requirements of the law, some with serious CSR involvement since the past even feared an opposite effect or backlash in terms of their pre-existing CSR practices, making them edit their existing CSR practices.

"I think the only push that the 2% may have had is with the business teams up above who may have started just looking.. that are we giving enough.. or .. because even when they were in losses they were giving money, so now they are also thinking whether they should not be giving. Because.. someone could say that.. you are not doing [making profits].. still why.. are [you].. shareholders can say. Why are you giving so much money and why are you giving so much attention when company is in loss. The banks would say - Why are you giving so much money? – its possible.. its possible.." (MNC_SUZ_CSR_Lead)

NGO_TF_Co-ordinator suggested how contrary to 'Indian culture' and traditions which were referred to by many interview participants and which have been discussed in section 5.2.1 of chapter 5, especially Indian origin organisations engaged in only bare-minimum CSR in-order to “pass the bar”.

"..so the fact that it [CSR law] prescribes to what you can invest it in, it means I don't think that there is a lot of innovation.. companies aren't thinking innovatively about how

they might spend this money.. I think it's more about well we have got to spend it, so let's do it." (Con_CSR_Non_Exec_Director)

In-fact, although it was suggested on some occasions that many companies were now thoroughly assessing NGOs before hiring them, some suggested that this was not always true.

"Without checking [the] background of [an] NGO, without its reassessment they give [a] cheque to any NGO. They also do not verify whether work do[ne] by [a] particular NGO is really needed for society or whether under given geographical conditions it is really required. Without taking into consideration these points.. means undermining the good intention of the Government.." (TechIT_Group of CSR Managers)

Malpractices were also observed to be on a rise. Such practices according to NGO_SA_Director included companies trying to 'fit' CSR activities according to their requirements, red-tapism and corruption, which were also fuelled by unscrupulous NGOs hungry for CSR funds.

"CSR consultants and NGOs are mushrooming, and CSR, is essentially spoiling people. A 'beggar mentality' is on the rise, and broad global ideas such as the triple bottom-line concept are still non-existent in the government dictionary. Consultants have entered as intermediaries due to the 2%, and NGO perspectives have changed. There are times when NGOs change their focus based on company demands, likening themselves to corporates having "sales targets". (NGO_SA_Director)

Consultant_Aro_Director explained how the fact that the 2% law is relatively vague provided some companies with loop holes to exploit. For example, most companies now had their own foundations and "Everybody's wives are foundation heads".

"So there are companies.. who look at it as a compliance and they feel that this is an additional tax on them and there is no benefit of it.. so, this is one. [On] [t]he other side, NGOs are also looking at it as [an] easy funding source now available. A lot of funds have become available now from the companies.. So that is creating a wrong impression.. let's say some unwanted practises.. even in terms of NGO[s].. because earlier.. there are NGOs who are doing good work for decades together.. in those there was a lot of accountability, every single rupee is from [the] society. So the term trustee which was there.. it's not my own money, I am just a trustee, somebody has given me this money to use for such and such [work].. so the focus that was there around this,

that seems to be having some changes now. Because this money is available..”
(NGO_SS_Director)

To address such problems, it was felt by some that an increase in government level monitoring along-with tightening of norms could be a good idea since corporates would then be compelled to engage in measurable and impact producing CSR, and discussions about actual benefits could also be facilitated based on recorded facts.

“But I still think that the monitoring thing and the reporting thing is still missing, because there is no such body that is looking after all the corporate[s] and you know saying that you have not spent your 2% on CSR, you should do it.. or you know there is some kind of an action taken on the companies that have not performed their CSR completely..”
(TECHIT_CSR_Nag_Lead)

".. but I would say that CSR has not played a very significant role in terms of grass-root level development. Because it is yet to [be] assessed.. it has been almost 3 years.. corporates are doing some sort of an evaluation of CSR and how.. but those reports.. somehow corporates have own interest to propagate how their organisation is doing that.. " (BuildCom_CSR_Head)

"The new government however needs to do one thing, the laws that have been created.. are they being followed? For that there should be a feedback system. And in that feedback.. Normally what happens, a law is created. And there are lot of people who break that law or do not follow it. So where is that law being broken? So, feedback on that does not exist right now. So, if this government [or anybody] puts that system in place, that will indeed be good." (Consultant_NW_CSR)

The overall understanding from this discussion is that with different levels of involvement, the CSR law has therefore generated mixed outcomes and benefits for the intended beneficiaries.

6.5. Conclusion

Given the flexibility within the law, organisations have ample space to enact CSR activities that have varying impacts on the intended beneficiaries. If organisational leaders take an ‘engagement’ approach mainly targeting compliance, the benefits that are accrued appear mixed. If the organisational

leaders take an 'involvement' approach, outcomes for beneficiaries are improved. This chapter therefore discussed factors influencing CSR benefit and impact. Both field interview and case study data were used to explain these findings. After briefly looking at the existence of variations in CSR approaches at the different firms, this chapter discussed the key factors that influence whether the CSR approach taken lies on the 'involvement' or 'engagement' side of the CSR approach continuum. It then discussed how the approach taken influences CSR related impact. Finally, the chapter looked at the overall impact generated in the presence of the CSR law for the intended beneficiaries.

The next chapter highlights the unintended beneficiaries of CSR in the presence of the CSR law and discusses the benefits accrued to them. It then looks at the shifting influence and power dynamics that have occurred in the presence of the law and discusses different components of these influence and power dynamics.

Chapter 7 Unintended Beneficiaries and Power Dynamics

7.1. Purpose and Aims

The previous chapter discussed how although the CSR law has triggered sensemaking generating changes in CSR implementation and practice, there still exists a great amount of flexibility with respect to the level and extent of involvement that companies may wish to have in their CSR activities. Based on the approach that is taken, their CSR practices have varying impacts on the intended beneficiaries. The chapter therefore discussed how the overall impact of the CSR law on the intended beneficiaries has been mixed at the very best.

This chapter highlights the unintended beneficiaries of CSR generated in the presence of the CSR law and discusses the benefits accrued to them. Such unintended beneficiaries include NGOs, implementation partners, consultants, CSR managers and even employees of the corporates. It then looks at the shifting influence and power dynamics in the presence of the law and discusses different components of these influence and power dynamics. It first discusses the rising influence of stakeholders such as CSR Managers and NGOs in the presence of the law. It then discusses how the law has increased the co-dependence among the different actors including companies, NGOs and beneficiaries and has fuelled or maintained existing power imbalances. Finally, it looks at rising power struggles over CSR funds involving representatives of community groups vying for corporate funds.

This chapter is again based on data from the field interviews and from the case studies. It therefore has the following aims:

1. To discuss the benefits accrued to unintended beneficiaries of the CSR law and
2. To discuss the shifting influence and power dynamics in the presence of the law.

The following section first starts with a discussion on the unintended beneficiaries of the CSR law and the benefits accrued to them.

7.2. Benefits to Unintended Beneficiaries

From the earlier chapter it is clear that the CSR law has generated mixed benefits for the intended beneficiaries of CSR. However, a noteworthy observation made through this research is about the rise in the unintended beneficiaries of CSR after the law.

Sensemaking about the opportunities created by the CSR law has generated a number of unintended beneficiaries. Such unintended beneficiaries include employees who have acquired personal benefits through CSR participation, along-with CSR professionals and NGOs who have experienced a substantial increase in professional and other benefits and opportunities due to the overall increase in CSR activity.

“..the increased implementation of CSR after the law has created opportunities for more players to come forward and do good work.” (PMC_Commissioner)

The benefits accrued to such unintended beneficiaries include personal benefits to organisational employees, rising career opportunities relating to CSR and an impetus to NGO functioning and evolution. The following sub-sections discuss these benefits in further detail.

7.2.1. Personal Benefits to Employees

As has been discussed in the earlier chapters, there has been an increasing focus on employee participation in CSR activity at many companies after the commencement of the law. This has meant that more employees are participating in CSR activities at their companies.

“It has provided ‘something different’ apart from regular work.” (MNC_AL_CSR Manager cum Sr Manager)

To start with, some interview participants like MNC_Bank_CSR_Manager suggested that participation in social activities under CSR has benefitted employees by helping them align their personal objectives with their everyday work. This has also provided them with an opportunity to engage in social work.

"[In] [m]y opinion, madam, this is required, and it gives a clear direction to individuals also. Sometimes in [the] corporate, there are many individuals who are interested but lack resources or time. This CSR...sometimes you are provided with money and guidance so that also helps. And time is most important, because all of us are working. We can get a few hours under CSR. So, in this way we are also not losing out time...utilising our time as well as serving the society." (BuildCom_Employee)

"..I treat this [as an] opportunity. Means, being a representative on our foundation, and to take the CSR to some level, I feel I am not just a contributor there. I act as a bridge. Connecting the needy people, to a genuine industry or foundation or society, agencies, looking to give back to the society." (TechIT_Admin)

In some cases, interview participants were found to view CSR participation as an opportunity for self-betterment and introspection.

"Social angle has.. increased. When I take interviews, when I give feedbacks to people, when I reply to all emails, when I want to say no, the angle has.. changed, or the language has.. changed. Or patience has increased.... Yes, it is totally personal. It is nothing official. It is all personal changes that I have faced. And the same thing that I expect from my kids also, that they should also understand what is the value of the things that they are getting and other people are not getting. So, they should maintain that. These are the personal level changes. First is the social change. Second is that.. what we have, we have to thank god for those things. We have to ensure that the other people who don't have.. we should share the extras. Since after my involvement in these things, fortunately my better-half also supports me.. And we have ensured that not a single cloth will be thrown away from our home in a dustbin. That is given to somebody. There [are] some associations where we are connected and we ensure that that is given to those people. Even [if] it is kids-wear or it may be something else. So, these are.. some changes that we have implemented in our personal lives, and I am happy for that." (TechIT_CS_Head)

According to some others, the increasing focus and encouragement of employee participation in CSR has also resulted in an increase in motivation for interested employees to engage in social work.

"Yes, it definitely makes a difference, because the appeal changes, and as and when it comes from our employer and your peers and colleagues are doing it, you also get a motivation to participate and that makes the entire views change.."
(TechIT_Logistics_Head)

MNC_Bank_VP felt that the CSR situation has provided him with an opportunity to give back to society at an individual level. It has also allowed him to influence others to work on social causes by utilising his [power] and position. BuildCom_CSR_Manager also had a similar opinion,

"I have been doing that because I have been leading by example[.]. Like [name of CSR head] told you in the morning, the plantation of fifty saplings, and now they are spread to around a 1000+. The trees have grown up in the last year and people are...they have adopted those trees. So that was one of the examples which I have given to them and shown them. I go to various schools and colleges during my off time and during my evening[s]. I go and impart my knowledge. I share my knowledge to the students. It is [a] two-way benefit. Even I get to know [a] lot of things." (BuildCom_CSR_Manager)

Overall, it was suggested that passionate people have found CSR as a platform to work for the society.

"So I tend to think that.. I gained a lot from you guys. From the society. I will give.. back. So it becomes different for me. When, we as a team come together, we don't need [our leader] to tell us that "[employee's name] we need to do [a] social responsibility [activity] because this is a part of our CSR". We as a team what we do is we engage. We don't wait for our leader to tell us." (MNC_Bank_Employee)

"Other thing is that people.. have desire to do something but do not have monetary support, management support and legal support. Thus, this became [a].. platform for the people, who don't have anything in the[ir] hand, but who desire to do something. Using these things, I can now definitely develop CSR of my company or decide what.. I [can] do in this regard." (TechIT_Group of CSR Managers)

"Our aims and objectives are that first, we want personal growth, on a personal level we feel that we should be able to depend on ourselves. That is the first goal in any

organisation. But once we achieve this goal, over a period of time, we feel that we can help someone, we can make someone independent like us.. Every person feels this one day or the other. Why should I be of help to the other? So that they can stay healthy and happy like me. So, for overall development, working for inclusive prosperity. If I work only as an individual, the scope will remain small. If we work on the organisational level, we have a support staff, funds, so we can pull a greater amount [number] of people under our scope." (BuildCom_CSR_Group of Managers)

Participation in CSR also generated perceptions of satisfaction for many.

"..So it is all about your company culture and your appeal to the employees. I am also aware that people are doing it at individual levels, but when there is a good motive to cover suppose 10 schools, or thousand students, this small amount makes a lot of difference to the entire project altogether .. and it [also] gives happy moments to [the] individuals, that I am participating, and I am part of this activity."
(TechIT_Logistics_Head)

"[T]heir work could now make a multi-fold impact.." [NGO_TF_Co-ordinator]

Quotes about satisfaction derived through participation in CSR activities were especially abundant within interviews at TechIT.

"When we meet beneficiaries, they tell us that we have made changes in their lives. At that time, we feel that our work is fruitful." (TechIT_Group of CSR Managers)

"So, instead of just signing a cheque to AIDS foundation, you can do the work which [is] so much more satisfying. You get a lot of employee engagement. Suppose if your turnover is Rs 100 crore and you have 50-100 employees, even if you are able to motivate 35-40 employees to do some work, it will [provide] a lot of good, positive vibes to the company. Lot more people will be benefitted, lot more people like us sitting in the corporate offices will get some inspiration after having learnt something, having seen how the other side of the track looks, .." (TechIT_PF_CSR_Head)

"So, one thing is that we help individuals, but when we undertake major projects with the civic authority, it gives us satisfaction. For example, be it constructing toilets at the schools or.. traffic control.. So, we know that whatever we do has some purpose. It is helping somebody. It is direct help which we are going to give to people."
(TechIT_Senior_HR)

The mandatory CSR situation has therefore helped employees align their personal objectives and interests with their everyday work through participation in CSR activities. Many positive personal benefits for such employees therefore appear to have been generated in the presence of the CSR law.

7.2.2. Career Opportunities for CSR Professionals (and Others)

It was indicated that with the increase in CSR implementation, there has been a corresponding increase in the hiring of CSR related professionals after the law.

"And companies are now recruiting MSW [masters in social work] people or people who have done NGO management course. Before, these big corporates would not directly hire. They would utilise their personnel or HR people. But now this is a trend [that] has come in. They have realised that if they have to do this continuously, monitor this and if we have to report this to our shareholders, then we need professional managers here as well." (NGO_S_Director)

"We have appointed one person who is full-time. And, who reports to another person and handles other jobs as well.." (BuildCom_Chairman)

"In the year 2014, [the] TechIT Foundation.. decided to undertake one flagship project. This project involved refurbishment of 100 toilets and renovation. This work needed one subject matter expert[], who has knowledge of civil construction because there is specialized civil work. From this point of view, as it is a flagship project, substantial amount [of money] was involved. At that time, I was introduced .." (TechIT_Group of CSR Managers)

With the increase in capacity building exercises, there has therefore been a remarkable and almost exponential increase in career opportunities relating to CSR.

"Yes especially those who are doing this social counselling.. lot more job opportunities suddenly opened [up] for them. So instead of just working in small NGOs.. doing counselling in some schools, now suddenly you know they have opportunities to work in [the] corporate world.. multinationals!" (NGO_LP_Director)

"I will tell [you] one more part regarding this – This has also created significant employment. For example, we.. traditionally [have] 3 branches after passing Std. X [viz.] Science, Commerce or Arts. There are also diploma courses, but mainly students go to these branches. Out of them, there are more employment chances for Science and Commerce as compared to Arts.. Employment opportunities are [..] [now] opened for them." (TechIT_Group of CSR Managers)

With the rise in demand for CSR professionals and 'social workers', there has therefore been an overall increase in professional opportunities for people interested in this field.

"And we, development professionals, we also found that apart from the development platform, now there is another avenue, where development professionals may go and practise their knowledge and experience and all." (BuildCom_CSR_Head)

"So, I participated in all those [CSR] activities and I gained a lot of interest in that and once there was an opening with the TechIT Foundation.. I applied for that and I got selected. So earlier my role was as a volunteer when I used to participate in these activities, and then I started handling CSR projects from January. ... so, I think we can say that earlier I was seeing [observing] how to swim, but then I jumped in the pool." (TechIT_CSR_Nag_Lead)

As was indicated, many CSR related professional and educational courses have also started in many educational institutes.

"there are so many courses that [have] started at the University for the MSWs [Masters in Social Work] and many more colleges are introducing these.. Now new opportunities.. even diplomas for CSR manager profiles as well.. so this is all.. changing [the] environment altogether." (TechIT_Logistics Head)

Alongside, CSR related consultancies have been experiencing a rapid growth in numbers, generating a demand for more CSR consultants.

"I think the other thing that I have noticed is there's definitely a growth in consultancies that are providing support as a result of this law" (Con_CSR_Non_Exec_Director)

MNC_Bank_Employee revealed how the mandatory CSR situation has not just generated opportunities for people who are interested in making a career in the CSR field, but also for those who wish to seek promotions and move up in

their own career ladder by getting noticed through their CSR related volunteering work.

"Actually what happens is, the team composition of people in IT is, there are super managers, under them there are managers.. under them there are some team leads.. those team leads have their active work force. Then that active workforce works with another set of passive workforce. The leadership has no idea about the passive workforce. So, there is a chunk of people in between the team leads and the active developers who are looking for promotions or who are in a transition phase of becoming a developer, senior developer or going above that.. They are the.. brains behind what needs to be done for a CSR activity." (MNC_Bank_Employee)

The mandatory CSR situation has therefore resulted in an increasing demand within companies for CSR professionals and people associated with the CSR field, thus generating many career opportunities along-with chances for career growth.

7.2.3. Impetus to NGO Functioning and Evolution

The presence of the CSR law has also generated many new opportunities for NGOs. The law allows corporates to implement their CSR projects through partnerships with implementing agencies and NGOs (see chapter 4 section 4.4.3). NGOs in such cases act as bridges or enablers that connect beneficiaries with CSR related benefits through available CSR funds. This has generated new funding opportunities for the NGOs for carrying out their welfare activities.

"[S]o, NGOs were struggling.. to sustain their projects, and many NGOs at that time were winding up social projects in that area. So.. section 135 [as CSR] came as a relief to the NGOs, wherein.. they.. [found] this as an avenue to work with the corporate[s] and to get certain funds to complete their social project[s]." (BuildCom_CSR_Head)

In some instances, it was indicated that companies with an interest in greater CSR involvement, like TechIT and MNC_HAD, have been going beyond their CSR requirements to help develop their NGO partners. Such activities include training of NGO personnel on project management techniques, etc. This is generating more knowledge and technical resources for NGOs to exploit.

"We are facilitating NGOs to become better, helping them become more professional. This is bringing in 'project knowledge' and as a result, developing them."
(MNC_HAD_Plant Head cum CSR Head)

Sensemaking by the NGOs about such opportunities and their efforts at aligning with them have provided an impetus to their growth and overall functioning. Due to growth of CSR as a field, more professional opportunities are also getting generated in the NGO sector and a potential for career advancement in the field has also led to other noteworthy trends such as reduction in the age group of NGO leadership as suggested by one interview participant, and some NGOs experimenting with new projects.

"So that way now.. [new] leadership [is] now coming into NGOs as well. So, the NGO leadership.. age is now reduced to about say 30-35." (TechIT_Logistics_Head)

"Yes, this ha[s] given an impetus to organisations such as ours to undertake new projects or present such new projects to companies.." (TechIT_NGO_Partner)

As a direct result of the legal requirements for CSR, there has been an overall intensification of corporate expectations from their old and new NGO partners (power dynamics in relation to this will be discussed in section 7.3.2). This is because companies are now expected to spend and report on their CSR activities and are being held more accountable by the government. Due to this, their expectations from their NGO partners are also increasing.

"..[earlier], your organisation does good work, take this money. It was that way. Then we would complete all the receipts, documents and give them back on time. But later we started realising that the people who are interested in these different.. activities, they have now also started asking us for presentations. So, what they are saying is, you come to us, and make a presentation in our organisation. And hence now NGOs also have to be on toe. They can't be slacking anymore. Whatever you say will not be blindly accepted anymore. Now it is like.. if you have made a presentation about the work that you have done, then that surely benefits you. And then they call you, and then you have to present, and .." (NGO_N_Director)

Interestingly, because companies are now looking for credible NGOs and implementation partners to work with in this situation, competition has also set in among such prospective implementation partners.

"..Now, with the law.. corporates themselves are looking for credible partners to implement their CSR. Also, earlier as long as an NGO's work was in-line with a corporate's agenda, the company would be receptive. But now, there is also presence of competition, as multiple NGOs and organisations are positioning themselves as potential CSR implementation partners. Rise in competition has meant that new trends are being set up." (NGO_TF_Co-ordinator)

".. so far you [have] never.. seen that NGOs are going in the market and doing marketing.. or doing tele-calling or tele marketing.. Now, that trend [has] also started. Sometime[s] it happens that you know.. you are ready to help.. you have that moto but there is nobody who is pushing you. So these kind of sales and marketing activities help you reach your you know.. more people or bigger groups.. and that also increases the employment in terms of the NGOs who want to be self-dependent in terms of revenue and expenses. So, you must have not seen in the past that somebody is marketing about [name of big NGO], somebody is marketing about.. but now a days it [has] started that you get a call that you know.. this is the organisation.. and if you are interested can you please help us support.. these activities.." (TechIT_Logistics_Head)

In this process and with competition setting in for potential corporate partnerships, NGOs are gradually becoming more process driven and systematic (NGO_SA_Director). Although this means that sensemaking about the law and about corporate expectations is now making NGOs edit and make changes to the way they have worked until now, many NGO representatives themselves suggested that this has been a positive exercise for their overall functioning and evolution.

"..so this is good, this will only create.. betterment in the quality of services that the NGOs will give to the society. Because this puts a pressure on the NGO also, to measure. Earlier there was no measurement.. This also puts pressure on NGOs to streamline to systematise, to get more conscious of the results. The impacts which we are having.. so doing impact studies, seeing that how many people's life are you impacting, because you need to report that so you are also getting to know "oh my god I have had so much impact, I dint know!". So, it's good.. [for] both the sides [corporate and NGOs,] it is good. The NGOs are learning a lot, how to be disciplined, how to make proper reports, how to be able to.. ascertain your own performance.. how to develop your sustainability because that is what the corporate is asking you for now, that ok, we are giving you [a] five year project, what [if something] happens to you tomorrow.. how is it sustainable? Leadership sustainability, plus sustainability of [the] organisation..

tomorrow we stop, will the foundation stop or [have] you.. planned some.. how.. will [it] sustain itself. So, these are all questions being asked which will only bring about betterment [in] the performance of the NGOs which the corporates are working with. " (NGO_LP_Director)

".. the social work for them remains as it is. But the project planning for that.. many [a] times NGOs start working with their passion and emotional involvement rather than [with] a business plan.. The NGOs have to be trained about this.. documentation coming in is a good thing.. Some overheads have increased because of that but that will definitely help or otherwise the NGOs very really very weak in terms of documentation, planning.." (NGO_SS_Director)

During a conversation with NGO_S_Director about the possible effects of all these changes on the functioning and organisation of the NGOs, it was suggested that such changes would prove fruitful for both NGOs and their corporate partners in the longer run.

" and.. in the NGOs as well some values of the corporates are very necessary. NGOs are not run professionally. The management there is not professional. There are a lot of questions there regarding accountability levels. There is no concept of quality and Kaizen. "Something should be improved everyday" this does not happen. People are buried under the same questions. I feel that NGOs are also experiencing attraction of these value systems and there was also a requirement for this. From that.. NGOs have also gotten mentally prepared to accept CSR and the responsibilities that come with it. This is a reciprocal thing... Many NGOs are started based on passion. And it's not that they do not want to be professional, but many times there is no mechanism for training the people who are working in them.. I feel that there needs to be a little bit of patience and space for 2 years, 3 years for NGOs, from the corporate sector as well.. ..many things need to be looked into.. in that there is financial management, personnel management, marketing, day-to-day administration, broadcasting, planning.. one person cannot know so many things. As in there is a person for every small activity within corporates. Here [within an NGO] one or two people are doing different things. They are the drivers, the same people are the cooks.. so, I feel that the understanding of corporates will also increase slowly now. I feel that the state of CSR after 2-3 years will be very realistic and encouraging. So, I think this is very important, just giving money and taking reports.. instead [corporates] want to go beyond that and work with us, train us. Because of that even THEY understand our limitations and we get to know their approaches. This is very important. This is a good trend." (NGO_S_Director)

The law therefore appears to have provided impetus to the working of the NGOs, and the NGOs themselves sense this as a good trend that would help them get more organised and function better in the future.

7.3. Shifting Influence and Power Dynamics

Several unintended beneficiaries have therefore benefitted in the presence of the CSR law. Alongside this however, there have also been shifts in influence and power dynamics associated with CSR among the different stakeholders. The different components of these dynamics will be discussed in the following sections.

7.3.1. Rising Influencers

Before implementation of the CSR law (as also discussed in section 5.3 of chapter 5), the CSR function overall had very little importance within most Indian companies.

"..earlier the case was that it was the least priority. That is the fact. Because it is not profit gaining. I mean there have been experiences that budgets have been reduced."
(MED_GAD_CSR_Head)

"We did CSR before as well, but not very seriously" (MED_CS Cum CSR Manager)

CSR projects in most cases were ad-hoc and the overall focus on CSR within organisations was generally low. However, as suggested earlier, the law has brought in changes to CSR implementation and has also generated a growing demand for CSR professionals and implementation partners. Interestingly, alongside this there has also been a corresponding shift in influence and power dynamics associated with the different organisational stakeholders relating to CSR. The different aspects of such influence and power dynamics have been discussed in the following sub-sections.

7.3.1.1. Legitimacy for individuals with CSR related Skills

To start with, as has been discussed, the legal compulsion generated by the CSR law has prompted corporates to look for talented individuals and

managers to help them address and cope with the mandated CSR situation. This has provided such professionals (with experience in the CSR field) with more legitimacy in their positions (French and Raven, 1959). It has also generated an opportunity for such CSR professionals to rise up and exercise their influence (Kaplan, 2008, Maitlis, 2005, Maitlis and Christianson, 2014). The rise of CSR as a discipline and a recognition of those with related skills has shifted the power dynamic within organisations such that these individuals now have more opportunity to influence the organisational CSR practices. This has generated an opportunity for such individuals to influence corporate decision making in their own subtle ways, although the final decision making in the end lies with the company leaders. In many cases, the rising influence of the CSR managers was found to be significant.

".. And then of course the CSR head.. also depends on how he finds out the good projects and presents it to the MD and the committee, CSR committee. If he is good at it, then he plays a more important role.." (NGO_LP_Director)

"Influential.. I would say that the CSR leader is very influential. I would say that if I am not able to put forward my product and project.. So, it is my influence and ability to make them convinced, this is very important, but the decision is going to be taken by the senior leadership." (BuildCom_CSR_Manager)

"But after [name of CSR head's] entry I think th[ere] has been a drastic change because I keep on complimenting and telling him that you have got a good knowledge about it... whatever information I keep getting from Mr [CSR head] regarding the management's point of view, that is very, very good, very nice and I think that we are in the right direction. We are in the right direction." (BuildCom_CSR_Manager)

The CSR manager at BuildCom, for example, was hired after the CSR law was enforced in 2014. The narration below describes how he gradually grew in influence by carefully manoeuvring, reading and 'wrighting' sense (Balogun et al., 2008) and shaped the company's CSR activities in his desired direction.

"So.. now.. I also started.. because I can't confront everyone every time, right? So, I also started with the same philanthropic way. But I took time to say my views to the Senior Management, I always tried to convince them why.. if I want to start another programme, at another location, with [a] certain.. specific objective [as to] why this is

important and how it is also going to benefit the company. I always considered.. being a development professional.. my centre of the idea, agenda is to benefit.. the community at large. But, I also keep the interest of the company involved in[] this so that company also feels, ok, I also get benefit[ed], let's do this now.. So.. gradually I started.. even the [name of] programme was very small.. people were not taking it seriously.. now last year I would consider [as the] first step of.. success when [the] management decided to put this programme as a case study in the annual report. Why I consider that as important is because, it was not important that it was considered a case study, [but] because I thought that, ok, it means that [the] management now is convinced that CSR may also play such a role.. So.. still in India.. it is not BuildCom that I am talking about, I am talking about in general. The challenge is to convince.. the business people that don't see CSR as a philanthropic model, CSR may [also] play.. a very critical and vital role in your process, the only thing is that you have to take it in a very strategic manner and you need to be engaged.. you need to engage.." (BuildCom_CSR_Head)

This CSR head, through his persistence and expertise (French and Raven, 1959) developed through his past experience as a "development professional" eventually convinced company leaders to view CSR through a strategic lens.

"So I would say that, ok, I started with the philanthropic approach, but now, in BuildCom I am more.. um.. aggressive on the strategic CSR project. Right? And I am getting space for that, and now I also see that management like Mr. [chairman] and other people also convinced that ya ok, this is right, you should move forward with it." (BuildCom_CSR_Head)

He did this by carefully reading the context and slowly gathered support for his ideas by aligning the company's interests with his own (through sensewrighting (Balogun et al., 2008)).

".. like [name of] programme.. recently I got an invitation from another division that they heard about the ..training programme.. they told me that.. how are you doing this, can we do this [too]?.. so I told them that ok I would do this but please don't consider that as a CSR. Please consider it as a strategic business interest, you leave the community benefit for me, I would take care that how the benefit is going to the community, but certainly you just stick to your own interest, rest I will manage." (BuildCom_CSR_Head)

This however meant that although the company in his presence strengthened and formalised its CSR, the CSR is no longer catering only to community

benefit but is rather strategically inclined, based on a business case. The chairman through his following quote appeared aligned with this view.

"When the law came in, we decided to also do a lot more focused activity within the CSR of the company itself. Up till now each factory or plant ..[did] a little bit around their surroundings.. Because of this happening [CSR law] we said that let's do it in the company in a more focused way, with more focused effort and so we have various plants where we have taken up various activities, around our plant which are for community building... but one thing is there – when you work for your community, it definitely benefits you and gets you a commercial sense, it makes economic sense, it is good for business. There is no reason why you should not be a part of community, working with them, getting upliftment happen. Because, after all, this [is] your market, these are your workers, and these are your people. And, they provide you a safety net by being there just for you right? Rather than having an antagonizing relationship"

(BuildCom_Chairman)

The CSR law has thus provided people like CSR managers with increased legitimacy, thus also increasing their capacity to influence CSR related decision making. MED_GAD_CSR_Head, for example, suggested how he brought in knowledge acquired through his earlier experience working in another much larger company and convinced the new company's leaders to engage in programmes which were similar to those in his last organisation.

"This was also done in [his earlier organisation] in the name of [name of programme]. Before coming here the organisation that I was with, through that organisation we would do this in the [name of] area in the name of [programme name].. but here we are doing it under [programme name]. So.. there are some changes in it.. improvisations taking into consideration current scenarios, trends and exposures to children.."

(MED_GAD_CSR_Head)

7.3.1.2. Reframing of relationships with NGOs

There also appears to have been a reframing of corporate relationships with their NGO partners. Like CSR managers, it was found that NGOs on their part were also gradually acquiring more capacity to influence corporate decision making in subtle ways. This was especially true in-terms of CSR funding allocation related decisions. In some cases, NGOs were found to be providing corporates, especially those that had started engaging in CSR after the law,

with active advice regarding the projects that they could undertake under their CSR.

Interviewer: "And you also act like a consultant for the corporates?"

Interviewee: "Yes like if sometimes people feel that they don't know anything about this field, then I say come, ask me. We can do something together." (NGO_N_Director)

".. Those [companies] who are doing [CSR] now because the mandate has come in now, so for them.. giving them examples.. and assist[ing] them with which programme will be most suitable for their needs.. so, in that way we try to connect. Because I feel that sustainability in terms of your business and sustainability in terms of your CSR activity, if you want to align these two, then your business vision should match your CSR vision." (NGO_SS_Director)

".. but earlier on, even if an organisation was given money, corporates would feel that their work was done.. As in many NGOs also suggest these days that you give us money, but apart from it there has to be some of your involvement." (NGO_TF_Fellow)

Although corporates have more control over their CSR projects, NGOs understand that such corporates still have to partner with someone to get those projects organised.

Interestingly, with more influence, it was suggested by one interview participant that some NGOs have also started lobbying for changes in rules relating to CSR funding allocation.

"..so in this way there is a section in the NGOs which says that there should be a PIL [Public Interest Litigation] made on this, as in make a case in the court that if your [a corporate's] part is this much then why do you only give 2%? Because there is no logic behind this 2%. Why only 2%? If it is to be given, then why shouldn't the society get a fair share? There is no limit to that.. NGOs are also lobbying. This should increase, and their second ask is, there needs to be a classification between urban and rural and there has to be a clause that atleast 70% money from your funds should be utilised in the field that you do not operate in." (NGO_S_Director)

The law has therefore created a platform that has been providing stakeholders like CSR managers and NGOs with a potential for more voice and influence, thus providing them with an opportunity to shape CSR programmes in subtle

yet particular ways. This has shifted the power dynamic to some extent by influencing how particular CSR related decisions are made within organisations.

7.3.2. Maintenance or fuelling of Power Imbalances and Rising Co-Dependence

The law has also generated more co-dependence among the different stakeholders and has aided in either maintenance or fuelling of power structures.

While observing the NGO partner and education provider meetings at TechIT, subtle yet visible power imbalances were observed between the CSR lead (as a company representative) chairing the meeting and the NGO representatives and education providers in attendance. The discussions between the management and their NGO partners were two way and inclusive and this conveyed an interest in feedback and improvement in the company's CSR practice. The participants had healthy conversations at the table and were generally happy, appreciative and non-confrontational. However, although the conversations revealed an interest in understanding the requirements of the other side, these were largely based around the company's expectations. The NGO partners appeared to be interested in seeking help in the form of funding and knowledge resources and the CSR lead, as a representative of the company, acting as a kind of interpreter and CSR expert, appeared to be making decisions regarding whether the things that were being asked for were feasible or not. Such observations suggested that although NGOs have acquired more voice and capacity to subtly influence corporate funding related decisions pertaining to CSR, corporate authority and power over the NGOs and beneficiaries is still maintained.

NGO Partner Meeting: This meeting was chaired by the CSR lead and one subordinate. It was held in a conference room and attended by over 15 NGO partners. Agenda of the meeting was to facilitate networking amongst all of the NGOs that the company works with. This was made clear by the CSR lead, who sat at the head of the table. It was also for gaining feedback from NGOs about their work. It was mentioned by the CSR lead

that the company wished to achieve “common good” by bringing all their NGO partners together, so they could also find opportunities to work together.

Initially, the CSR lead informed the gathering that according to the company’s new requirement, all NGOs would need to create a sheet of their requirements by June. She also mentioned that there needed to be a ‘TechIT’ book that had to be kept at each school location (where they worked) which needed to have two parts, one pertaining to planning and the other relating to implementation. She mentioned that the book would have names and addresses and remarks from the NGO. After this she asked the NGO representatives for their individual requirements from the company.

Many requirements were enumerated by the participants. An NGO representative suggested that regular updates could be collected through use of technology, and this point was noted by the CSR subordinate. Another NGO representative suggested that they have a specific ‘self-study’ programme which could be broadened with TechIT’s help. But the CSR lead quickly informed him that it could not happen due to practical difficulties. Some NGO representative asked if volunteer teachers could be provided in schools. The CSR lead however thought that this would create inconsistency in the teaching. After this, the CSR lead mentioned that a mid-term feedback from particular NGOs would be collected.

At one point, the CSR Lead spoke about how one of the NGOs had acquired visibility through one of their company-wide programmes last year. NGOs were then asked to check if they had any volunteering opportunities for the company’s employees. (TechIT_Observation_Meeting1_6Oct)

Meeting with teachers and education providers: This meeting was chaired jointly by the CSR Lead and the head of CSR with over 20 teachers and educators. The CSR lead sat at the head of the table and introduced herself and the others who were attending the meeting. She set out the meeting agenda. Agenda of the meeting was to seek feedback from schools (second level partners) that the company worked with about their experiences of working with NGOs (first level partners). Although many participants were on time, some walked in late. The CSR lead did not stop to address them. The CSR lead suggested that the focus for this year was on improving quality of education rather than on infrastructure support. After this, there was a discussion on the details of the company’s and the representative’s requirements. During the discussion, the CSR lead suggested that their ‘Read and Succeed’ initiative would be discontinued from that year onwards. Some representatives however did not appear to agree with this and quickly discussed how their students actually looked forward to the material that was provided to them through this initiative. It was therefore decided that the programme

would continue in some schools. During discussions, the CSR lead spoke the most and had comments on every discussion.

At one point, a school representative asked if TechIT could split the sponsorship funds in-order to provide more scholarships to the deserving students. The CSR lead quickly cut through the conversation suggesting that it was not possible and explained how it could not happen for reasons of uniformity.

The CSR lead warned that multiple institutions working on the same area without the knowledge of the company would not be entertained, and this would affect their credibility. She also informed that there needed to be more transparency in their functioning.

At the end of the meeting, one representative said, “Ma’am let us know very frankly how we can make your life easier”. To this the CSR lead replied, “maintain uniformity” and later enthused the gathering saying, ‘Let’s work together’.

(TechIT_Observation_Meeting2_6Oct)

The above observations suggested that the CSR lead and hence the company appeared involved and interested in welfare (eg. bringing all their NGO partners together, so they could also find opportunities to work together). However, the company expected representatives to do things in-accordance with their own expectations (eg. requirements needed by June, TechIT Book in every school), in-accordance with how the company felt they needed to be done (eg. ‘focus for this year is on improving quality of education rather than infrastructure support) and according to the company’s priorities. There was room for feedback which was also taken fairly (eg the ‘Read and Succeed’ discussion), but it felt like the meeting was largely dominated by the company’s representative (eg. CSR lead quickly cut through the conversation). Words such as “interest in common good” and “let’s work together”, although suggested an interest in greater involvement, also suggested some level of authority in terms of the company trying to act as a welfare provider and facilitator for social good (“Ma’am let us know very frankly how we can make your life easier”).

Such observations suggest that companies now have more money to spend on welfare and see themselves as having the ability to choose between

projects, partners, and also beneficiaries for conducting their CSR projects and activities. On the other hand, NGOs and intermediaries view themselves as having a legitimate reason to ask for funding from such companies and sense funding opportunities through corporate funds. There is therefore a co-dependence between these stakeholders where for each one's self-interests, there is an understanding of the sense that has been made by the other party about the CSR situation. Corporates and NGOs now need to work much closer with each other due to the intensified (due to the law) necessity of working together. Corporates in such situations expect and are also accorded with respect for the fact that they are providing funds to the NGOs and welfare to the beneficiaries.

With respect to BuildCom, clear power imbalances were noted within interactions between the head of CSR and the beneficiaries of the computer training programme, and similar observations were also made at the certificate distribution ceremony for the women training initiative of the company.

Visit to computer training programme venue: General atmosphere at the training centre was laidback. The HR informed the author on the way to the centre that people were generally suspicious because the company was offering trainings for free. After reaching the venue, we entered a classroom where there was teaching going on. The CSR head pointed at one trainee attending the training session inside the classroom asking him about his past education and why he needed to take this computer training course. The trainee replied sheepishly with his head down. The head of CSR smirked at the response and suggested that the trainee ideally did not need that computer training course given his existing technical education. The rest of the trainees giggled. Trainees who were attending a training session inside the classroom were then ordered to leave by the head of CSR and were asked to go to the computer lab. They acquiesced without questioning and left silently.

The head of CSR took us to the computer lab. He then addressed all trainees and made an impromptu speech standing in front of the computer lab. The speech was about how the trainees should learn and take this training as an opportunity. He told them that they needed to be sincerer for getting jobs in the future after their training.

Later the CSR head went around the facility and asked the trainers to clean the place and the old posters that were still around. The trainers (who belonged to a partnering

organisation) acquiesced and said they will get them down as soon as possible. The CSR head walked around the facility talking to different people, introducing me to them and providing a general commentary about what was happening. The trainees appeared to be passing quick comments among each other and smiled and grinned under their breath.

Everyone appeared to become more attentive, stood up from their seats in the presence of the CSR head, or fell silent when he was around.
(BuildCom_Observation_Comp_21Feb)

Women training for self-sustenance initiative: This event was a certificate distribution ceremony to mark completion of a training programme for women at the BuildCom [name of place] location. It included around fifty female trainees along-with their trainer, who sat in the audience, and the head of HR, head of CSR and plant head on the dais. It was in a formal setting and the event was headed by the plant head. After introducing himself and the purpose of the gathering, the plant-head addressed the trainees in a long speech. Everyone sat quietly during the speech. The plant head suggested during his speech that the main aim of the programme was to make the trainees more able and independent. He asked how many of the trainees possessed mobile phones and told them that they could buy new phones with their own money after they became financially independent. The trainees listened quietly without moving in their seats. At one point during his speech he asked the trainees questions regarding what they had learnt. The trainees did not speak. The plant head addressed the trainer asking her the same question. The trainer asked one of the girls in the audience to answer, who answered how they had learnt to stitch for financial independence, to make some money of their own. When it was found that they were not aware of one of the aspects of the skill that they were learning, the plant head ordered the trainer to take them along immediately (i.e. after the certificate distribution event) for another session to learn it. (This was at the certification ceremony). The plant head also referred to the trainer during his speech at one point suggesting that she was also someone who was young and who was also learning like the other trainees.

The head of CSR while making a point during his own speech afterwards asked the trainees why they were learning the skills anyway? This was in-order to solicit response from the trainees. The trainees spoke about 'independence' and 'money'. It was announced that another higher-level skill would be taught to the students next year onwards. Atmosphere in the room was dull and the plant head appeared disinterested after his speech. The trainees and the trainer remained quiet during the entire session, only speaking shyly when spoken to. (BuildCom_Observation_Women_21Feb)

Observations thus suggested that such companies have now assumed the status of welfare providers through their CSR activities. Companies like BuildCom again sense that they have an ability to choose what they do with respect to their CSR projects, and with whom. Beneficiaries, although may or may not be aware of the CSR mandate, largely sense potential benefits through corporate welfare activities (although they do sense that the corporates might have some self-interests while doing this, eg. "HR informed the author on the way to the centre that people were generally suspicious because the company was offering trainings for free"). There is therefore a co-dependence again that is observed among these actors where for each one's self-interests, there is an understanding of the sense that has been made by the other party about the CSR situation. Power imbalances in such situations are legitimised and maintained when there are no dissenting voices against corporate activities, and such understandings legitimise dictation of terms by companies like BuildCom, while NGOs and beneficiaries try to gather more benefits and funds. For example,

"I will tell you something. We have sent thousands of formal emails to companies asking them for appointments, saying we don't want anything from you, but we just wish to present our work to you. If you ever feel that you want to work in this field, our experience could be useful for you. So, we tried to seek appointments in these different ways."
(NGO_S_Director)

".. I approached the organisations, corporates.. only through personal contacts. I am doing a good job, and this has been my experiment, why don't you support it. So that's how organisations came to support. Then by the time CSR came I already had a good base to tell them that other corporates are working with me and are successful, why don't you work with me, since now you have to spend some money. And that's how I got into corporates" (NGO_LP_Director)

Some examples of how power differentials manifest between companies and their partnering NGOs (and also beneficiaries) are discussed next.

7.3.2.1. Examples of Manifestation of Power Imbalances between companies and their partnering NGOs (and also beneficiaries)

With companies increasingly focusing on factors concerning credibility and trust while looking for implementation partners, NGOs now have to be on toe and well equipped to deal with corporate requirements.

"But first.. obviously you have to develop a good base for them to be able to, you know, trust you. Maintaining the trust that you can cope up with it, because CSR for a corporate means a lot of inputs on data." (NGO_LP_Director)

"We do work with other companies, where[from] we get funds in some quantity, but to do that we need to do a lot of follow up. It is not an easy thing to do, getting the companies to believe that we are a genuine trust. Once the companies believe that we are genuine it becomes easier." (TechIT_NGO_Partner)

"But, a lot of companies who are genuine are scared that whatever money that they give.. will be put to wrong use or won't be put to use." (TechIT_Partner)

As discussed earlier, NGOs are therefore gradually becoming more process driven and systematic (NGO_SA_Director). In the presence of the CSR mandate, such NGOs are thus gradually changing sense about their own functioning and editing and altering their working through their interpretation of corporate requirements.

"you can't approach a corporate with a hand-written application. Right? "I am an NGO.. working very genuinely at [the] grassroots".. [when] I am approaching you as a corporate or the CEO of the organization, I can't say that "this is my work, and this is the letter and a photo." So, the way the projects are being pitched has got changed in my opinion. Okay? So, there is a decent paper, a brochure, a catalogue, the information required, a project report is also required, genuine photographs of the work. So, the overall approach probably from the NGOs [has] changed." (TechIT_Admin)

Although it was suggested that at times NGOs willingly change the way they work in accordance with corporate expectations, many other times NGOs are expected to unwillingly tune their work in accordance with corporate requirements in-order to access corporate funding. This is because many companies now have defined CSR policies and strategies and NGOs are

expected to be aligned with those. If they are not, they are expected to 'tweak' their projects in-order to 'fit in' so as to become eligible for CSR funding. Thus, the co-dependence of NGOs and corporates has certain implications with NGOs aligning themselves to fit with the corporate mandates rather than focusing on beneficiary requirements.

"So their [company's] expectation that you should work within 'our' pattern.. so that change is happening.. many companies are seen to be getting aggressive about that.. [They say] mould your projects as per our specifications. So, for example [name of company] said that we want to give gender-based education this year. Now to be honest whether it was the requirement of the organisation [NGO] or not.. they dint think about that, but we have heard and complied with some of your things this time, so you must do this programme.. So, we had to do it although we might not want to, since that company is giving us money etc. so we did it. So, a lot of times we have to comply by their terms for no reason." (TechIT_NGO_Partner2)

"the.. other part of the NGOs is [that] the NGOs are very resistant. They have developed their own products, and I am considering social projects as a product. They have their own product, and they come up with their own reason and agenda, many a times what happens is that the corporate investment.. [in] CSR has certain own interests, which are not.. aligned with the mandate of the NGOs, so that is something that NGOs are finding challeng[ing] to mobilise with the corporate." (BuildCom_CSR_Head)

NGOs are also expected to comply with other corporate requirements concerning reporting etc., and although this might be a normal expectation and perhaps also a step in the right direction as discussed earlier, it sometimes pressurises NGOs which are ill-equipped to deal with the different corporate requirements. However, NGOs in need of funds have to comply.

"So, it's put more pressure on NGOs. But then you see, NGOs are at the receiving end. So, they want funds. So, they are the ones that are adopting to each organisation's needs, and you know I am working with 20 [corporate] partners. Each partner has their own niche area how they want to work.. So, these all are of-course putting a lot of pressure on the NGO organisations.. so, each one has developed their own internal system, but the NGO is the same, so you have to keep on satisfying the needs. Each one has derived their own formats which we have to fill and send. It's a lot of work for the NGO. But then if you want the funds, you have to work. Nothing comes free." (NGO_LP_Director)

It was indicated that bringing corporates on the same page as the NGOs is also not an easy task.

"but at the same time in social work it is.. many a times it is dealing with human challenges or live problems.. for doing that kind of work.. it is not an input-output driven activity. Social activity.. it does have psychological things and there are many other things which you cannot fit into a typical project planning work breakdown structure. So for the corporate end to also get this understanding.. I think some time is going to be required. And that's the challenge. They want it exactly that way. You show us a plan, then what did you do in the first month, what was the result in the third month.. So, it is not input-output driven.. and even if it is not.. some.. or the other benefit happens anyway right, then how can that be defined?" (NGO_SS_Director)

NGOs are left in a conundrum when corporates agree to fund long-term NGO projects one year at a time, considering their own financial and other constraints and priorities. There is uncertainty created for the NGOs about whether they are going to be funded again with the same funds in the next year for the same project.

"The MOU that is signed.. is a one year contract. So, companies are not committing for multiple years." (NGO_SS_Director)

Apart from this, NGOs face stringent corporate requirements and restrictions.

"But for example, we give [sponsorship] to 2 schools and for two of [name of NGO]'s [curriculum]. So whatever programmes you want to do, do them only at any of these four locations. So these restrictions.. and those in reality are not restrictions because of the CSR mandate, these are self-imposed.." (NGO_SS_Director)

"Now.. if they give 30 Lakh [rupees].. what happens is only 5 % can be used for admin and the rest has to be for the project.. however.. while implementing a project, people have to be provided. Those people have costs associated with them.. and if in accordance with their project, if the organisation does not have those many people, then that becomes an additional load for the organisation." (TechIT_NGO_Partner2)

"So.. while doing the division of that 2%.. how much [money] for the project.. for the people who are working on it.. on admin how much and other costs how much.. this has to be through the organisations [NGOs and partners] according to what their

requirement is.. because a lot of times what happens is.. it happens according to what the corporate says." (TechIT_NGO_Partner2)

Some corporates now wish to consolidate all of their social activities under their 2% CSR spend. For some this has meant that the earlier corporate initiatives encouraging employees to fundraise using their own personal funds through corporate forums are now being stopped after the mandate. This is however depriving NGOs of an alternate avenue (that they previously relied upon) of growing their individual donor base through direct individual donor interaction.

"Or.. there are some companies who have a programme of matching grants. "We match whatever the employees give". So that as well we see has changed for some companies." (NGO_SS_Director)

Overall it is evident that corporates have been dictating terms, dominated by the presence of power in the form of money.

With respect to beneficiaries, huge gaps observed in between the actual needs and requirements of the beneficiaries and the management perspective regarding the facilities that are provided to them under CSR (see Chapter 6 last section) also indicate power differentials. Apart from questionable beneficiary benefits, this highlights power differences where companies appear to make assumptions about beneficiary requirements without really talking to them. Such companies are allowed to conduct their CSR as per their wishes without any questioning and explanation, with an assumption that beneficiaries will anyway be happy.

The above discussion therefore highlights how the implementation of the law has encouraged or maintained power differentials and imbalances between providers (companies) and the receivers of corporate funding and welfare.

7.3.3. Pressure from Community Representatives

Sense made about mandated CSR in a few situations has also fuelled demands from community representatives vying for corporate funds. By

directly approaching corporates with their funding related demands, such community representatives, appear interested in shifting the power dynamics in their favour in order to dictate CSR funding allocation decisions. Such occurrences appear however to have created hostile corporate-community relationships in some situations, generating further gaps and tensions between corporates and their surrounding communities.

It was suggested (and also observed) on some occasions that at times communities and beneficiaries are unaware of the government's CSR mandate for companies (and of their expected CSR spend requirements). In such situations, beneficiaries sometimes start viewing the increased corporate focus on their welfare with suspicion (as was also mentioned by the HR at BuildCom in the observation discussed in the earlier section).

"You go to the village and you try to do anything.. they not only start demanding, but they now start accusing you saying that you are harming the society there, that's why you have come now to compensate for it.. Right, so.. suspicion has increased.. people who don't know [about the CSR law].. they do this.... So in [name of place] where my friends are [where they have their businesses].. they are not doing [CSR] for their immediate neighbouring community. Because they are having the same, similar issues"
(MED_SMRU_Owner)

However, it was found that when they are aware of the mandate, there is a possibility that community representatives create pressures for channelling CSR funds in their desired areas. The community representatives or political agents sense this as being legitimate, considering the fact that such funds are now available and that their communities being potential beneficiaries (perhaps because they are located in the surrounding areas of the corporate), deserve and are in a position to ask such corporates for those funds. They perhaps also sense that they can do so using their power and position in the community circles. In relation to this, incidences of pressure creation by community representatives were highlighted by some interview participants.

"Today, the people who are in charge locally, like the Graam Pradhan [title for head of a village]...since I have been running centres, their approach towards me is that "Sir, you are already running a centre there, run one here as well." And they tell us that it is

our responsibility to do so! They are aware that as an industry, we have to spend on this. So, they feel that since a centre is already being run in one place, another can be run in their place as well. People are just aware that the government has set a rule that we have to spend 2% on CSR. So, every representative wants that a centre is set up in their area. So, this pressurises us in [a] way. And the people who are elected by the people, they are more conscious regarding this, that you are an industry and you have to spend. So, do it for our people, make toilets for us, and so on. For this, they approach us themselves." (BuildCom_CSR_Group of Managers)

With rising awareness about availability of CSR funds, it was mentioned how corporates at times even face incidences of extortion and ransom seeking from such community representatives.

"Yeah I have actually seen some of those things.. I remember going to a school in [name of place] and the teacher just said to me, how much money will you give us? Yeah.. there's two sides to it." (Con_CSR_Non_Exec_Director)

"..whoever knows about this CSR [the law], they are trying it in an extortion type of way.." (MED_SMRU_Owner)

Through their sensemaking about mandated CSR and the availability of CSR funds, such community representatives find it in their legitimate right and interests to ask for CSR funds to be channelled in their direction by the corporates. This, it was suggested, is generating tensions over corporate funds.

A story recounted by MNC_SUZ_CSR_Lead in this regard revealed frustration and distress.

".. is something that we are very troubled with is that we are being questioned, what is your two percent? Even in the village people start asking 'what is your 2 percent.. what is your 2 percent what are you doing?' government officials, collectors, so many people are saying 'what is your 2 percent? And what are you doing in my village [CSR wise]? Now this is like you know, too much.. they have their panchayat [village government] [which] has their own funds. We are unable to ask them what they are doing with their money.. and what they have been doing with the crores that come to their level.. and now they are.. on top of this they are asking us.. we have letters, we have letters asking us [for] 2 percent. Then we have [a] letter from official in one state, just someone picks up the phone and says 'please tell us now the CM will have to be told what is happening

in this state, what are the companies that exist in this state doing'.. So the CSR manager said 'I am not authorised to answer questions on behalf of the company.. you contact the relevant person, and this will not work on the phone like this'. So, then he sent some letter in Hindi and then he sent it to him and he forwarded it to the state head and then we took a call, whether we should respond or not." (MNC_SUZ_CSR_Lead)

"now we are going to prepare an FAQ for our business teams so that they know what to say and what not to say.. All letters get directed to us and we are dealing with mails rather than going and doing good work." (MNC_SUZ_CSR_Lead)

"Now we are actually getting pressure that there are so many thousand toilets made by another corporate, because they had lots of funds, now can you give us money to get the thing[s], like water tanks.." (MNC_SUZ_CSR_Lead)

Such incidences appear to trigger an antagonistic mentality among the corporates, fuelling further gaps and tensions between companies and their surrounding communities. Whether benefits actually reach the actual deserving beneficiaries is another story. MED_SMRU_Owner, in-fact, suggested that this has been causing friction.

"[S]o at the end of the day friction has increased. Initially whatever they [corporates] were doing, they were doing it voluntarily and there was not much.. now the relationship between the villages and the industrial houses, whoever is operating in [the industrial zones], is strained. It's not the best. Not like earlier times. I am sure this is not just for [industrial zone near his place]. It is for other places also.." (MED_SMRU_Owner)

It was therefore mentioned that companies need to be extra careful and vigilant in the current atmosphere.

"It is a dicey situation. People may take you for granted, the companies for granted – that they have to spend 2 per cent. So, there you have to be very vigilant. So, this trend has come in. And people are aware of this. So, for that matter even NGOs are aware, vendors are aware, isn't it? So, you are working for community and people from community are also aware that we have to spend 2 per cent. People in villages, they take you for granted when you go there and work for whatever project and want to help solve the problem over there, they are.. 2 per cent mandate has made people aware that funds are easily available.. which is a good thing also but at the same time there are pros and cons.. you have to be vigilant.. while selecting the project, while selecting

the NGO, while selecting the vendor, because you have to keep this in mind that they are also aware." (TechIT_CSR_Head)

"Because there are politicians who are talking. Maybe at grassroot level the farmer may not be knowing but there is at least one politician among 500 people who knows of these things that we have to spend our CSR fund. And, government officials also, they want you to... sometimes we have to struggle for their cooperation."
(TechIT_CSR_Head)

In conclusion, the CSR law has fuelled power dynamics through the sense that has been made of it. Interestingly most of these power dynamics appear to have stemmed from the availability of more corporate funds.

7.4. Conclusion

This chapter therefore began with highlighting the unintended beneficiaries of CSR generated in the presence of the CSR law and discussed the benefits accrued to them. Such unintended beneficiaries include employees who seem to have acquired personal benefits through CSR participation, along-with CSR professionals and NGOs that have experienced a substantial increase in professional and other benefits and opportunities due to the overall increase in organisational CSR activity.

It then looked at the shifting influence and power dynamics that have occurred in the presence of the law and discussed the different components of these influence and power dynamics. It first discussed the rising influence of stakeholders such as NGOs and CSR Managers in the presence of the law, and then described how the law has increased co-dependence among the different actors and fuelled or maintained power imbalances between companies and their beneficiaries (or the representatives of those beneficiaries). Finally, it looked at shifting power dynamics and rising power struggles over CSR funds involving representatives of community groups vying for corporate funds.

The following chapter brings together all the findings from the preceding chapters in a discussion about this research's contributions.

Chapter 8 Discussion

8.1. Purpose and Aims

The previous chapter discussed the unintended beneficiaries of the law and the rising influence of some of them including CSR managers and NGOs. The chapter highlighted power dynamics maintained or fuelled in the presence of the CSR law and discussed how in some cases power imbalances have resulted or have been strengthened due to companies assuming the status of welfare providers with available funds. It discussed how political actors and community representatives have, in some other situations, made the most of the opportunity presented by the law to channel CSR funds for their own agenda.

This chapter brings all the previous chapters together in a final discussion about how the findings from this research contribute to academic knowledge and practical application. There are four main contributions. One, mandatory CSR, as regulated by the Indian government, does little to address the problems associated with voluntary CSR approaches, and may in fact be a less desirable alternative. This is due to four factors: continued ignorance of power structures, poor monitoring structures, a restrictive definition of CSR and a focus on spend, rather than impact.

Two, although the literature suggests that blended approaches to CSR may be better at addressing CSR related concerns than voluntary or mandatory approaches alone, the empirical evidence in this study suggests that a blended approach, such as created by the legal mandate in India is not, in and of itself, sufficient to improve CSR practice. Rather, particular components of CSR practice need to be mandated to ensure much clearer understanding and engagement with those who are intended to benefit.

Three, as maybe recalled from chapter 4, through the law, the government has sought to synergise partnerships within the different sectors (Chatterjee, 2013a) where corporates provide management process expertise, strategic

approach and flexibility in investing in social causes; the government provides reach, infrastructure and manpower, and NGOs provide ground level expertise and actual on-ground implementation. Interestingly, the law has indeed generated more participation in CSR from these sectors, however, because they are contributing their expertise rather than working more collaboratively with it, there is a 'piecing up' of responsibility, rather than all sectors jointly owing CSR issues. This is leaving gaps in the contributions, through which many who are intended to benefit fall out. The current framing of competencies results in the maintenance of social structures as they are, rather than working to redress them and the problems that they create, such as voiceless beneficiaries. Thus, a reframing of sector competencies is needed to better address the issues that need addressing under the CSR umbrella.

The fourth contribution relates to the sensemaking theory. Weber and Glynn (2006) suggest that institutions play an active role in sensemaking by triggering, priming and editing sensemaking, and call for more research to examine each of these three mechanisms. Through this research, empirical evidence about the existence of all of these three mechanisms is provided, and it is suggested that the priming and editing processes occur in an iterative cycle. It also suggests that anticipation of impending changes in the institutional context generates anticipatory future oriented sensemaking (eg. Maitlis and Tsoukas, 2015) which starts the priming and editing process in advance in some situations.

The chapter begins by providing an overview of the research findings and contributions. It then goes on to discuss the contributions while reiterating the research findings.

Therefore, the chapter has two aims:

1. To map out the contributions and findings of this study.
2. To discuss the contributions in detail using the findings.

8.2. Mapping the Findings and Contributions

This research set out with an aim of understanding how such a government mandated CSR approach is made sense of and implemented by organisational actors and the effects of this on CSR practice along-with the outcomes. The Indian government expects firms to participate in providing social welfare and alleviating the most persistent socio-economic and development problems facing the nation through mandated CSR.

This section reiterates what the different findings chapters (chapters 4 through 7) have discussed and maps the research findings, in terms of their location within the different chapters.

To start with, the first findings chapter (Chapter 4) of this document discussed the CSR law in detail and also discussed the main components of the policy background in which the CSR law was implemented in India. It provided a detailed depiction of the macro level policy related factors concerning the law that have influenced sensemaking about mandatory CSR. It described how the mandate came out to be in its current narrow form, related mainly to external social welfare concerns of corporates. It also discussed how the purpose of the law as suggested by the law makers **has been to encourage more corporate participation in addressing development related challenges and socio-economic and environment related problems facing the nation**. It also discussed how the **law has triggered sensemaking** by discussing how different people reacted to the presence of the law, suggesting that some thought of it as an opportunity for welfare while some others found it as an inconvenience and a form of tax.

The second findings chapter (Chapter 5) then illustrated how sense was made of CSR after the enforcement of the law and described the different components of this sensemaking process that resulted in alterations in CSR implementation practices. It described how the law has **primed and edited sensemaking processes** and described how the dominant philanthropic and ad-hoc approach to **CSR has been gradually shaping into a more**

substantive CSR ‘engagement’ or ‘involvement’ approach after the law. Such an approach is more than ad-hoc philanthropy and has a greater focus on larger and more thought-out social projects, rather than unstructured philanthropic ones. It also discussed how the **historic Indian legacy associated with corporate philanthropy, the current socio-economic context along-with associated emotions have aided in the sensemaking** about the CSR context and have helped legitimise the law in its current form. There has therefore been an overall **changing of sense around structuring and implementation of CSR and also in terms of its now-expected longer-term focus, but not in terms of CSR being a set of concerns external to the business organisations**. It therefore described how **CSR has been consolidated into an external looking corporate non-core welfare activity** after the law. The chapter in the end also highlighted the gradual **move being made by firms towards more strategic and mutually benefitting CSR approaches**.

After this, Chapter 6 discussed how although the law has generated CSR governance and spend requirements triggering sensemaking and generating changes in CSR implementation, there still exists great flexible with respect to the level and extent of actual involvement that companies may wish to have in their CSR activities. **Business organisations therefore have a lot of space to ‘enact’ CSR activities (Weick, 1995, Weick et al., 2005) that have varying impacts on the intended beneficiaries**. If organisational leaders take an **‘engagement’ approach** mainly targeting compliance, the benefits are mixed and no better than chance. If the organisational leaders take an **‘involvement’ approach**, outcomes for beneficiaries are improved. This chapter therefore discussed the influence of leadership interests along-with other factors that influence variations in CSR approaches thus affecting CSR related outcomes and impact. Finally, it discussed the **overall impact of the CSR law on the intended beneficiaries of CSR**.

The fourth and last findings chapter (Chapter 7) then highlighted the rise in the **unintended beneficiaries of CSR** such as NGOs and implementation

partners, consultants, CSR managers and even employees in the presence of the CSR law and discussed how the law has benefitted such unintended beneficiaries. It then looked at the shifts in **influence and power dynamics that have occurred** in the presence of the law and discussed the different components of such influence and power dynamics. It discussed how the law has **maintained or fuelled power imbalances between companies and their beneficiaries (or the representatives of the beneficiaries)** due to companies assuming the status of welfare providers with available funds. It then discussed the **rising influence of stakeholders such as NGOs and CSR managers** in the presence of the law, finally looking at shifting power dynamics pertaining to representatives of **community groups vying for corporate funds**.

The next section brings together all of the findings in an overall discussion of the contributions made through this research. The first sub-section discusses how mandatory CSR, as regulated by the Indian government, has done little to address the problems associated with voluntary CSR approaches, and may in fact be a less desirable alternative. The next subsection discusses how although the literature suggests that blended approaches to CSR may be better at addressing CSR related concerns than voluntary or mandatory alone, the empirical evidence in this study suggests that a blended approach, such as created by the legal mandate in India is not, in and of itself, sufficient to improve CSR practice. The third subsection discusses how rather than collaborating, each sector has contributed their expertise and one particular part to the overall system designed to deal with CSR issues through the mandate. This 'piecing up' of responsibility, rather than all sectors jointly owing CSR issues has left a gap between their contributions, through which many intended beneficiaries fall out. Hence while challenging the appropriateness of the contributions expected from the different sectors, the last section discusses that there perhaps needs to be a rethinking of how the three sectors work together in-order to better channel their core-competencies for more impact on those intended to benefit.

8.3. Contribution 1: No Improvement over Voluntary CSR

Moon (2004) suggests that it needs to be understood whether government is a better driver of CSR and a better system of governance than the one it has replaced (pg. 22). Building on the ‘voluntary vs mandatory’ CSR debate (eg. Wettstein and Waddock, 2005, Waagstein, 2011, Zerk, 2006), this research finds that in the current situation of mandated CSR in India, the government does not appear to be a substantially better driver of CSR and a better system of governance (Moon, 2002, 2004, pg. 22). This is since this approach is not very different than voluntary CSR engagement in terms of its effects and is in fact perhaps worse in some respects due to its restrictive nature. Although such a CSR legislation could be a good first step for greater CSR awareness and acceptance in some national contexts, this may however not be the optimum regulatory response to address CSR related problems (Zerk, 2006, pg. 35).

Voluntary CSR is generally criticised for its lack of enforcement mechanisms and accountability (eg. Goebel, 2006, Mazurkiewicz, 2004, Utting, 2008, Agle, 2008) and therefore its actual impact on society (see table 8-1 taken from chapter 2: literature review). It is criticised for the fact that it may encourage purely strategic behaviour and that it may not be effective for achieving societal goals (Deegan and Shelly, 2014, Moon, 2002, Weaver et al., 1999). Mandatory CSR on the other hand is expected to have greater accountability through enforcement mechanisms (Keith, 2008, Bondy et al., 2007), facilitate better CSR and broader coverage (Aguilera et al., 2007) and also aid in generation of longer-term impact and benefit (Utting, 2005) for the larger society.

	Voluntary	Mandatory
Positives	1. Flexible and accommodating 2. Could foster competitive advantage 3. Could prevent legislation	1. Greater accountability through enforcement mechanisms 2. Facilitate better CSR and broader coverage 3. Long-term impact

Negatives	1. Lack of Enforcement Mechanisms and Accountability 2. May encourage purely strategic behaviour 3. May not be effective for achieving societal goals	1. Greater Administrative requirements 2. Could trigger counterproductive effects
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Table 8-1: Voluntary vs Mandatory Approaches to CSR

With respect to mandated CSR in the Indian context, at a superficial level, the CSR law appears to have generated some positive changes. To start with, the CSR law and the sense made of it appear to have resulted in an increase in awareness and seriousness associated with CSR in India, which was not in evidence when CSR was a completely voluntary concept in the past. In-fact, some have suggested in this regard that the law has brought CSR discussions from the fringes to the board level (Balch, 2016) in the country.

Through its requirements, the law encourages greater and sustained CSR participation through encouragement of better thought-out CSR programmes. The law mandates companies to form a CSR committee, and this committee is answerable to the board of the company who have CSR monitoring duties on their part. Due to such requirements, firms are found to be performing more CSR and participating in more long-term and sustained CSR activities. Through the legislative mechanism, the law has therefore aided mobilization of support not just of the industry and CSR leaders (Bondy et al., 2007), but also of those firms (like BuildCom and GAD) in which the CSR concept was under-represented in the past, helping in the mainstreaming of the CSR concept (Deegan and Shelly, 2014). In this process, some companies have also started looking more closely at the impacts generated through their CSR.

Since the law encourages collaboration, some companies have also started collaborating with other companies, NGOs and the government for undertaking their CSR activities. In some cases, like TechIT, this has

encouraged implementation of larger CSR projects with better and more innovative ideas.

Companies are increasingly also focusing on generating employee participation in this process, thus generating more awareness about CSR and CSR activities. Interestingly, the law has also channelled media attention (eg. Picard, 2012, Balch, 2016, Karnani, 2013) which has also aided in raising awareness about CSR among the general masses.

The law mandates reporting and has disclosure requirements, which have increased the possibility of comparability of CSR activities and results and have also increased the possibility of verifiability of the reported data. Penalties and sanctions associated with the law have encouraged greater compliance and have therefore also pushed disinterested firms to engage in more CSR (Keith, 2008). Supporting findings in this regard, the National Government Portal (<https://csr.gov.in/CSR/>) also reflects a year-on-year increase in CSR spend and participation by firms after the law.

The law and the governance structures that it expects appear to have helped or have been helping equip companies with the prerequisite systems to support better CSR implementation (Basu and Palazzo, 2008). The law has legitimised CSR functions within companies through its governance requirements, forcing organisational members to orient with them (Salancik and Pfeffer, 1989). With hiring of more CSR professionals and consolidation of CSR related organisational functions, CSR related people (eg. CSR managers) and departments appear to have slowly acquired more importance and status within organisations providing them with more influence and the capability to enhance their own survival (Salancik and Pfeffer, 1989). The law has also provided impetus to NGOs to evolve and acquire more opportunities to work through increased funding and has resulted in more professional opportunities for people in the CSR field.

Considering that CSR is mandated by law, firms now face more legal and social pressures to sustain their CSR practices and have more restrictions

pertaining to withdrawal of support for certain activities at any given point of time (Moon, 2002). This is certainly a positive development for the long-term effectiveness of CSR in terms of social welfare, aiding in the possibility of generation of more uniform benefit at-least in the targeted areas (Bendell and Kearins, 2005). Such observations suggest that the CSR law has been instrumental in creating a (more or less) level playing field (Barth et al., 2007) for the included firms, by introducing some enforcement mechanisms for a practice that was largely overlooked or ignored in the country in the past.

The law therefore appears to have generated some positive benefits in terms of the breadth of understanding of CSR, and CSR participation. It has also generated positive changes in CSR governance procedures. Overall there have been structural changes. However, as evidence suggests, such changes have so far resulted in little improvements for the intended beneficiaries. Alongside, there are some serious concerns that do not get addressed. These concerns are associated with the existence of poor monitoring mechanisms, the continued ignorance of power structures (and the absence of procedures for addressing power redistribution among the different stakeholders), focus on compliance and spend rather than on impact with a move towards strategic CSR approaches, and the overall restrictive nature of the law.

8.3.1. Poor Monitoring Mechanisms

In the current form of the law, there exist sanctions for non-compliance with the CSR rules (eg. reporting, 2% spend, committee formation etc.). However, there is no focus on external checks or existence of government level monitoring mechanisms for assessing efficiency or efficacy of CSR programmes and thus for ensuring actual implementation and impact of CSR that is performed. The companies are expected to monitor their CSR activities themselves. This means that companies may still just spend the 2% focusing mainly on compliance and may still not do much at all. The quality of CSR projects, reliability of the internal monitoring mechanisms and hence the reported data in terms of impact therefore still remains uncertain. Therefore,

although CSR has been mandated by law, a lack of external monitoring mechanisms assessing what firms actually do under their CSR has again generated a 'fox guards the henhouse' situation (Goebel, 2006) similar to voluntary CSR approaches. Such an approach pushes CSR concerns to the periphery, especially in cases where they are not a priority. In relation to this, many interview participants themselves also pointed out the need for increased government level monitoring to generate more involvement and therefore ensure more impact. Existence of such monitoring of CSR in-order to ensure implementation and impact could promote better CSR effectiveness (Blowfield and Frynas, 2005).

As is obvious, assessing the overall impact generated by the enforcement of the law would need to take into consideration not only the amount of money that is spent on CSR, but also how and where it is spent. Prieto-Carrón et al. (2006) urge that a fundamental distinction therefore needs to be made during monitoring of CSR actions and assessments of CSR related impact. Assessments based on procedural compliance (eg. compliance with reporting requirements) may yield inaccurate results, as sometimes ways may be sought to target compliance while actually not yielding any real benefits. Thus, to gauge the actual impact of CSR after the law, assessments would need to be made based on expected outcomes. Supporting this point, empirical evidence suggests that the assessments that are currently being made by the government (eg. <https://csr.gov.in/CSR/>) appear to be based on procedural compliance and the amount of money that is being spent. The expected outcomes are based on who is complying with the law and who is not; and how many companies are providing reasons for non-compliance with the CSR rules in their annual reports. The government appears to be more interested in businesses engaging in CSR and spending money on it, rather than how it is actually being put to use, expecting businesses to be responsible themselves. This is however generating superficial benefits in terms of more money being spent on CSR and more companies engaging in it. CSR related data from government websites (eg. <https://csr.gov.in/CSR/>) therefore suggests year-on-year growth in CSR spend and compliance, and companies insist on geared

up CSR practices in accordance with legal requirements. However, the actual benefits generated do not appear to be improving at the same level with findings at this stage of overall mixed benefits at best.

As has been discussed, monitoring of the actual impact of the CSR activities conducted remains within the realm of businesses themselves. Such companies may then take the short cut route of sorting out compliance (for example by undertaking easy (Van Herpen et al., 2003) projects where they may undertake a 'head count' of people who they believe have benefitted by say, building some toilet facilities) while not focusing much on whether there is any real impact that is created (eg. whether the facilities that are provided are actually being used, and whether that is what is the actual requirement). On the other hand, they may take the longer more spirited route of actual involvement with strong internal monitoring and impact assessments, based on their own interests, perhaps also at a deeper qualitative level. Interestingly this point is also a key concern relating to voluntary CSR approaches. Positive benefits through CSR depend on the approach that is taken by such companies. CSR after the law therefore again appears to have benefitted some people and issues in some situations (Blowfield and Frynas, 2005) like in case of voluntary CSR approaches.

Thus, this form of mandatory CSR enforced by the Indian government with its poor monitoring mechanisms focusing mainly on compliance procedures appears to have done little different for better CSR enactment and outcomes.

8.3.2. Continued Ignorance of Power Structures

For better CSR governance and for sustained CSR benefit, power and participation are central issues that need to be addressed (Prieto-Carrón et al., 2006). In the current mandated CSR situation however, empirical evidence suggests that power does not appear to have shifted in favour of those who are disadvantaged.

Findings suggest that although there has been an increase in CSR activity, the underrepresented voices of actual beneficiaries in many cases are still not heard. This is also evident from the fact that there still exist differences in what beneficiaries actually need and what is offered to them through CSR. NGOs representing such beneficiaries, who are also becoming more influential and have also started advising companies with regards to their CSR activities, are in the position to direct firms to address the needs of some beneficiaries while not pressing firms to address improvements to the conditions of other underprivileged groups that are not a priority to them (Blowfield and Frynas, 2005). With a rise in strategic and mutually beneficial CSR initiatives, inclusion as a beneficiary may again be determined based on the business case and policy alignment for CSR. This may indeed result in inclusion of some beneficiaries with the systematic exclusion of others.

In the current situation, power structures have been maintained or have shifted to some extent mainly in favour of the unintended beneficiaries and those who are already relatively powerful (the corporates themselves). Existing power imbalances between beneficiaries (or their representatives, eg. NGOs) and their benefactors (companies) have been maintained.

As has been found, collaborations with NGOs for conducting CSR are fraught with power imbalances, with NGOs expected to (and many times do so willingly) adhere to corporate requirements which are generally based on the corporate's strategic priorities and interests, thus affecting choice of projects, beneficiaries and also the project related outcomes. Moon (2002) argues that greater business involvement in welfare accords firms with more power over their receiver organisations like NGOs. The findings from this research build on this view by suggesting that although representatives of beneficiaries occasionally do appear to have a voice, for example as found during the meeting at TechIT between the representatives of NGOs and the CSR Lead, "power relations between stakeholders continue to shape the issues that are raised, the alliances that are formed and the successes" that are identified (Prieto-Carrón et al., 2006, pg. 984) with companies in the position of picking

and choosing whom they wish to work with and what they wish to work on. Thus, the effectiveness of CSR still clearly depends on how power is located and exerted (Blowfield and Frynas 2005, pg. 508), which is mainly in the hands of the corporates.

Thus, at this stage, the requirements of the law do not effectively address power and participation related concerns. In some situations, political actors and representatives of community groups have acquired more power, enabling them to resort to extortions, threats and demands as per their requirements for acquiring CSR funds. Whether such funds actually reach the deserving beneficiaries remains uncertain.

The CSR law has therefore not done much for the effective redistribution of power affecting CSR related outcomes for the least powerful intended beneficiaries, although there has been some redistribution for those who are already relatively more powerful. The law in its current form reinforces existing power structures and relations, and interestingly, most power struggles appear to stem from availability of CSR funds. In such a situation although insistence of long term CSR projects by the government generates greater certainty of sustained CSR engagement, there remains a possibility that such power imbalances are maintained or fuelled for longer durations.

Thus, through its continued ignorance of power structures, mandated CSR in this way does not appear better than voluntary CSR approaches.

8.3.3. Focus on Compliance and Spend, rather than on Impact and a Move Towards Strategic CSR

Another aspect that perhaps makes this mandatory CSR approach worse than voluntary CSR (in terms of the intended beneficiaries and for better social outcomes) is the fact that it generates more focus on compliance and spend rather than on actual impact.

Although the CSR law has fostered greater CSR participation and implementation, firms are allowed to choose any CSR activities as long as they

belong to one of the specified themes under Schedule VII of the Companies Act 2013. Given the flexibility within the law with respect to CSR implementation (eg. with respect to monitoring, extent of involvement), firms have a good measure of flexibility with respect to the actual enactment of their CSR activities like in case of voluntary CSR approaches.

With its current compliance requirements, the government at this stage is taking an arms-length involvement approach allowing minimum compliance. Such an approach cannot guarantee that it will effectively influence attitudes of corporates towards being more socially responsible and could (and does) result in a minimum basic compliance with the law without any genuine or deep involvement (Deegan and Shelly, 2014). This is again corroborated by the fact that there have also been instances where firms have considered reducing their CSR spend to 2% in cases where they would have spent much more in the past (Dharmapala and Khanna, 2017), thus halting their earlier social endeavours once they have fulfilled their CSR obligations under the law, also supporting Waagstein's (2010) observation on mandated CSR. Supporting Desai, Viswanath and Tripathy (2015), findings also suggest that the law has resulted in more focus on the spend requirement (eg. CSR considered as tax by many) rather than on the CSR practice itself.

As was found, there is also a growing interest and gradual move being made by firms towards more mutually-benefitting and strategic approaches to CSR in the presence of the law (either for rationalising their CSR spend or in the quest for formalising their CSR activity). This could perhaps result in an increased possibility of sustained CSR involvement (considering mutual benefits) and therefore overall benefit and impact (although there is no evidence at this point to prove that there is more benefit and impact and early evidence suggests that the pattern remains more or less the same with respect to impact with or without strategic undertones to CSR activity. However, it is possible that over time this trend may shift). Like in case of voluntary CSR approaches, firms could however again target their welfare activities towards specific stakeholders that they wish to appease or please for business self-

interest (eg. BuildCom investing in training potential future employees). In line with this argument, a move towards longer term CSR projects in accordance with legal requirements may again generate a possibility of purely strategically chosen CSR projects (eg. through practices like “hunting for projects”). Such longer term strategic projects could get locked in for extended periods of time and meaningful benefit generation may still get ignored.

The growing prevalence of strategically designed CSR could also generate carefully devised CSR activities that would not only target certain strategically chosen sections of the population but would also aim at mitigating shareholder concerns regarding effects of those activities on shareholder value, undermining the actual welfare intent of the law (Bendell and Kearins, 2005). Therefore, although CSR involvement in certain areas would indeed increase in some instances of strategic CSR (eg. fashion accessories store GAD engaging in initiatives targeting women), ground level issues may not get effectively addressed in many other situations. Certain CSR activities for which a business case cannot be made would still get precluded from CSR and there would still be a possibility that some pressing issues and welfare concerns get ignored (Blowfield and Frynas, 2005), just like in case of purely voluntary CSR approaches. This is because although there is a lack of evidence to suggest this at this point, it is certainly a possibility that this might happen given the fact that the power imbalance remains, and companies are able to select whatever they want from the list of possibilities with respect to CSR projects.

Some (eg. Jamali, 2007) however argue that a strategic or business case approach to CSR is not necessarily bad, especially since many times such a business case is necessary for directing senior management attention towards CSR practice. However, it might be important to consider that such a strategic CSR approach may shape not only the choice of issues and beneficiaries that are supported through CSR, but also the very discourse that delineates the “boundaries” of CSR. In other words, there is a danger of CSR being “disciplined by the need to use a language and modes of thinking acceptable to the business community” (Blowfield and Frynas, 2005, pg. 512-513). This

might boost corporate reframing of CSR in the future where “social responsibilities are addressed only to the extent to which they support the development of new market opportunities (Shamir, 2008)” (Gond et al., 2011, pg. 643)

8.3.4. The Restrictive Nature of the CSR Law

Along-with the focus on spend and compliance, another issue that may in fact mean that this form of mandatory CSR is worse for society than voluntary CSR approaches is the fact that it is restrictive in its definition of CSR, thus making CSR efforts mainly external welfare focused. Not even employees are allowed to be included as beneficiaries as per the law, and CSR cannot be a part of regular business operations. Thus, supporting Davis’s (1973) view, this government mandated CSR again in a way has restricted decision-making flexibility for firms.

Although the meanings associated with CSR governance and practice have altered, past predominant meanings associated with CSR have been consolidated, associating CSR with external social welfare.

Assuming that more CSR can solve complex problems (Prieto-Carrón et al., 2006) through increased CSR spend without greater government level involvement in ensuring greater corporate accountability in broader terms perhaps generates a half-baked solution without yielding any overall or sustained benefit to those intended to benefit and for overall socio-economic development (as intended by the government). If then assessed based on the voluntary vs mandatory CSR table (8-1), the current mandatory CSR approach generates weak enforcement mechanisms considering its focus on reporting and compliance rather than on actual impact of CSR. Although it aids in generation of broader coverage through more participation in CSR, it is debatable whether it generates better CSR fostering longer-term benefit and impact for those intended to benefit. The law only addresses CSR concerns external to corporate operations and allows companies to decide on the extent

of engagement or involvement that they wish to have in their CSR. Also, power imbalances are largely maintained.

Such a mandatory CSR approach does little to address the problems associated with voluntary CSR approaches, and in-fact retains some of the pressing problems associated with the voluntary CSR approaches (see 'negatives' cells under voluntary and mandatory CSR in the table 8-1). It encourages strategic behaviour like in case of voluntary CSR approaches, and also generates greater administration requirements. While doing so, unlike voluntary CSR approaches it also associates CSR exclusively with external welfare.

It is therefore found that the current mandatory CSR approach taken by the Indian government does little to address the problems associated with voluntary CSR approaches, and may in-fact be a less desirable alternative.

8.4. Contribution 2: Blended form Insufficient for Improving CSR Practice

With its comply-or-explain character, the Indian CSR law acts as a particular 'blended' approach to CSR or 'articulated regulation' as mentioned by Utting (2005) with legally binding elements (reporting, governance procedures, spend requirements), alongside some discretionary elements (choice of CSR projects - although under specified themes, and how CSR is actually conducted and monitored). Frynas (2012) mentions that there is a "need to learn more about the optimal balance of voluntary and mandatory, national and international, prescriptive and enabling regulation. Debates on CSR must therefore move beyond unproductive calls for or against CSR or government regulation toward studying new hybrid forms of regulation and future research needs to investigate the factors that are necessary for effective hybrid regulations" (pg. 10). This research therefore contributes to this call by investigating the new hybrid form of regulation addressing CSR in the Indian context.

Thirarungrueang (2013) suggests that a blended CSR approach with mandatory and voluntary elements would provide the best possible solution for promoting corporate socially responsible behaviour, since the legal elements could foster active participation while the voluntary elements could encourage more company level involvement in socially responsible behaviours.

Literature (eg. Thirarungrueang 2013, Frynas, 2012) therefore suggests that blended approaches to CSR may be better at addressing CSR related concerns rather than voluntary or mandatory approaches alone. However, lending support to the statement that “the clarification of the exact parameters and extent of social responsibility for corporations via regulations will be a continuing challenge for both government and civil society” (Thirarungrueang, 2013, pg. 191) the empirical evidence in this study suggests that a blended approach, such as created by the legal mandate in India is not, in and of itself, sufficient to improve CSR practice.

This is because to start with, apart from corporate contribution towards external social welfare, the law does not address internal corporate concerns and issues pertaining to internal transparency and ethical governance. Such concerns should ideally form the foundation of CSR practice in whichever part of the world that a company may belong (Visser, 2008). The law in its current form appears to target very basic development and welfare related concerns, by channelling corporate funds and competencies to aid in the development process. Through its framing, it legitimises CSR as external welfare and consolidates it as such in the minds of the stakeholders (this was also touched upon in the earlier contribution). CSR in this situation has therefore acquired approval and legitimacy as an external welfare activity and compliance with CSR rules makes companies CSR compliant. Alongside there is no strong challenge from the government about what companies actually do with respect to their CSR.

Corporate participation in CSR as required by the law has been relatively easy, since it has posed no fundamental threats to corporate interests (Utting, 2005).

CSR can be implemented through NGOs and foundations, and mainly involves governance changes and spending a part of corporate profits on external non-core welfare activities in a prescribed format. Thus, the framing of the law has encouraged firms to engage in external social welfare in a formalised fashion, leaving internal concerns outside the realm of CSR. It could be argued that such an unquestioned acceptance of CSR as an external welfare activity without strong dissenting voices, could however foster a weak conceptualisation of CSR affecting its trajectory in the future (Jamali and Karam, 2018). Especially smaller companies without a SEBI (Securities and Exchange Board of India also referred to in chapter 4) or other mandate may legitimately accept CSR as something external, overlooking other internal concerns pertaining to, for example, ethics and fair labour. In its quest for growth and development, the country appears to be eager on generating development related policies that are flexible, pro-business and pro-investment, such that they do not hamper usual business functioning. However, mere investment of corporate funds and resources for poverty alleviation and for fighting social evils, for instance, may perhaps generate a superficial growth story benefitting some more than others, leaving the disadvantaged still at a disadvantage. According to French and Raven (1959), the internalization of social norms is related to a decreasing dependence of a behaviour on an external pressure, and an increasing dependence instead on an internal value. In the current form of the law, taking into consideration the varying levels of involvement, it does not appear as though many companies would actually continue to engage in CSR if the CSR law enforcement were to be halted (Weaver et al., 1999 cited in Basu and Palazzo, 2008). Even if they did, CSR has been consolidated as an external welfare activity for most.

While focusing on corporate contributions towards external welfare activities, many important developmental issues and challenges concerning corporates themselves are largely being ignored. Prieto-Carrón et al. (2006) suggest that such challenges relate to issues such as “corporate power and policy influence, the negative effects of labour flexibilization and economic liberalization, unsustainable investment and consumption patterns, and

perverse fiscal and pricing practices” (pg. 983). In many developing parts of the world including India, wages are often set at extremely low levels, unequal power structures prevail between larger and smaller corporate actors, MNCs outcompete local SMEs and large companies push their costs down the supply chain. Utting (2005) mentions that there are intense pressures on companies operating in such countries to prioritize shareholder interests over other stakeholder interests. He therefore suggests that CSR needs to be meaningful and needs to really work towards development by addressing such ground level concerns. For this according to him, structural and macro-policy issues need to be addressed (pg. 7). Based on this understanding, interestingly certain structural issues within corporates (concerning CSR related governance procedures) are being addressed through the macro-policy in the form of the CSR legislation. However, other concerns relating to the restrictive definition of CSR, power structures and the focus on compliance and spend rather than on impact (discussed earlier) appear to undermine the governance changes. For targeting greater welfare, it will therefore not be enough for the government to make companies engage in and spend on selective community development projects.

The Indian CSR law has essentially mandated a few governance processes and a list of issues rather than ensuring a process for engaging in CSR activity for greater and sustained impact. This means that companies can engage with whom and what they want so long as it is outside their organisation and fits in the defined themes suggested in the law, and that they are able to report on this as per the expected CSR rules. The current mandate determines parts of the process that needs to be followed for CSR implementation, while the other parts are left for the corporates to decide. Particular processes that might include intended beneficiary voices (eg. the CSR rules state that the CSR projects should be in project mode with internal monitoring) are encouraged but not mandated since they are assessed mainly based on reported data. The parts that are mandated do not appear to be dealing with the real issues in terms of who is benefitting. Therefore, processes that are needed to be mandated are not mandated in the current form of the law. The law in its

current form still leaves the substantive elements of CSR practice with the companies themselves (Zerk, 2006).

Frynas (2012) suggests how the ideal hybrid legislation would a) have ambitious and effective outcome-setting by the government through setting of appropriate outcomes and compelling firms to join in the initiative and b) it would combine this with process-setting by using the inventiveness and innovative ideas of the private sector to find answers for achieving the desired outcomes (pg.10). Building on these ideas, this research suggests that the government would also need to look into concerns addressing who decides and who speaks for whom (Utting, 2005) rather than merely investing in the relatively superficial approach of reporting and governance procedures focusing on compliance and spend. Issues relating to power and participation will have to be addressed along-with a focus on generation of effective monitoring structures and procedures. The restrictive conceptualisation of the definition of CSR would also need to be addressed and broadened.

The blended approach to CSR fostered through the Indian CSR law therefore, although generates more CSR participation, does not appear to be very effective in fostering better CSR outcomes addressing deeper ground level concerns associated with CSR practice. Due to the way it is framed and enforced, it does not appear to be the most effective approach in achieving the CSR public policy goals either (Steurer, 2010 pg. 67-68) in terms of impact on beneficiaries as envisioned by the policy makers (chapter 4). This discussion therefore highlights the fact that not all forms of blended CSR approaches are likely to be appropriate for better and more effective CSR and for generating more and better ground level impact.

Utting (2005) talks about “articulated regulations” and the regulatory and development questions pertaining to CSR. The regulatory question concerns whether how CSR is regulated generates better, more widespread and more reliable CSR practices. The ‘development question’ (Utting, 2005) on the other hand concerns how successfully CSR addresses socio-economic development related concerns (as has also been promulgated as the main aim

behind the introduction of the law by the law makers). Within this framework as also mentioned before, the law, at best, appears to have generated mixed benefits. It has aided in institutionalising (Moon, 2004) CSR in India. However, with its inherent weakness (concerning narrow view of CSR and lack of key processes targeting real issues along-with weak monitoring and enforcement mechanisms to guarantee impact), **it appears to have fallen short of addressing both the regulatory as well as the development questions (Utting, 2005) to a meaningful extent.**

8.5. Contribution 3: Sector Specific Contributions need to be Challenged

This research responds to the call for further research to explore how “effective CSR policies are in achieving public policy goals” (Steurer, 2010 pg. 67-68) by exploring how and whether the CSR law actually addresses ground level socio-economic development related concerns as envisioned by the policy makers. The government expects firms to participate in providing social welfare and alleviating the most persistent socio-economic and development problems facing the nation through their CSR. It expects that CSR be used as a platform for synergizing partnerships and collaborations among different sectors including corporates, the government and NGOs.

Interestingly, empirical evidence suggests that all three sectors appear to be contributing according to how they were envisioned to contribute by the policy-makers. The government has mandated CSR spend and governance procedures, companies supply the funds and control the process of implementation (based on their own strategic priorities or agenda) and NGOs contribute their ground level knowledge and activity with the aim of achieving donations and funds. As has been discussed however, it is evident that the current approach to CSR taken by the government allows the government to step back and let corporates take the lead instead of taking a meaningful collaborative approach to offset social harms and to foster better CSR regulation in-order to solve social problems together. This has however meant

that little has changed in terms of the power structures underpinning the social systems. This means that by each sector providing what it is 'good' at providing (and has perhaps done so for a very long time) nothing much has changed through the law and we cannot but expect the same outcomes (eg. unequal distribution of societal resources) as we have had in the past. The powerful still talk to the powerful and existing power structures remain unaltered, in-fact even reinforced in some situations. The question therefore arises whether such collaborations, and what each party is expected to bring to these collaborations, are completely appropriate in their current form. For example, should companies be in-charge and in control of the development process in this way when they probably don't understand the development process, also considering that this reinforces power relations.

The contributions made by the three sectors are aligned with what they were designed to do, however this is not generating the impact that better framed and positioned collaboration could perhaps generate. Rather than collaborating, each sector has been contributing one particular aspect to the overall system designed to deal with CSR related issues through the mandate. This 'piecing up' of responsibility, rather than all sectors jointly owing CSR issues has left a gap between their contributions, through which many intended beneficiaries fall. Interestingly, these contributions are almost exactly in keeping with the government's design. However, this framing of competencies is resulting in the maintenance of social structures as they are, rather than their redressal along-with the problems that they generate, eg. voiceless beneficiaries.

According to Utting (2005), collaboration is an important driver of CSR and helps in the ratcheting up CSR practice, since it helps in the reform process. However, collaborations taking place in the current form of the law are rather in the form of contributions, and therefore appear to not be yielding the desired level of benefit. A reframing of sector competencies is therefore needed for better addressing the issues under the CSR umbrella. This suggests that although the premise of the law appears compelling, the

current framing of the law may be inappropriate for generating a lasting impact, and hence the appropriateness of specific sector contributions may need to be re-considered and their contributions may need to be repositioned. Perhaps the law needs to be premised around processes that are designed with NGOs in the lead with government experts explicitly working with those who have the need. The NGOs develop the process, the companies with their management knowledge and technical know-how help in streamlining the process and help in assessing the impacts, and the government makes sure that all this happens. Such a system might help deter reinforcement of the existing system and will instead challenge and reposition the three sectors within the development solution. Jamali and Keshishian (2009) suggest that centrality of CSR activities for the participating NGOs and corporates is an essential requirement for collaborations to be more effective and integrative (pg. 293). Such a system will generate more centrality and closeness of fit (Husted, 2003) of CSR interventions with core competencies of the three sectors, instead of the actors trying to fit into the other party's requirements and expectations. Such collaborations would therefore be geared towards maximizing impact rather than merely satisfying requirements (Jamali and Keshishian, 2009).

In their assessment of collaborations between NGOs and firms in Lebanon, Jamali and Keshishian (2009) discuss how equity and efficiency along-with resource dependence are key factors that need to be considered. Extending Jamali and Keshishian's (2009) view however, this research suggests that along with equity, efficiency, and resource dependence, power and power structures also need more focused attention especially in cases where corporates have more control over the form of CSR activities and projects and where corporates control CSR projects and funds.

Instead of taking an arms-length approach and standing back and encouraging companies and NGOs to work together, therefore, the government would therefore need to take an active role in fostering effective collaborations. Such collaborations would promote effective outcomes for firms, NGOs, and especially those intended to benefit, also aiding in the scaling up of impact

through CSR (Jamali and Keshishian, 2009). **Rather than the current arms-length approach which allows worst of the inherent power structures to be maintained (those who are the least powerful are still not heard), particular components of CSR practice would need to be mandated** to ensure that there is much clearer understanding, collaboration and engagement with the intended beneficiaries. This would also perhaps offset the current focus on spend and refocus it on actual impact generated through CSR. More ambitious government level intervention through outcome and process setting to a) ensure that the CSR activities have a net benefit on the intended beneficiaries and b) to ensure that they (the government and also the corporates) do not pass off responsibility would be required. While doing so, there would also need to be consideration of broader issues concerning CSR which the law currently overlooks.

Such processes would foster systematic involvement through probing of mutual expectations. A better three sector solution with a specific process set out for those who have the least voice to be heard would entail an opportunity for different voices to be heard and would also affect how feedback mechanisms are generated and sought. Such feedback mechanisms would be essential for matching beneficiary requirements and for aiding in more benefit generation. This could also be ensured through more focus on monitoring mechanisms as discussed earlier, and not just through arms-length reporting and governance procedures.

8.6. Contribution 4: The Law Primes, Edits and Triggers Sensemaking

This research uses sensemaking as a theoretical lens and as a resource (Colville, Waterman and Weick, 1999) to understand the novel situation of government mandated CSR. Basu and Palazzo (2008) in their theoretical article 'Corporate Social Responsibility: A process model of Sensemaking' set out the agenda of using sensemaking instead of "analysing CSR by examining

CSR” (Pg. 122). By providing an empirical example of this research agenda, this research thus advances the range and scope of sensemaking literature.

Alongside, it studies the effects of an external institutional pressure in the form of a legal mandate by studying underlying sensemaking processes of the affected stakeholders. Sandberg and Tsoukas (2015, pg. S20) in their wide ranging and critical review from within the sensemaking perspective mention that one of the major criticisms of the sensemaking perspective is that it is too micro. They suggest that larger contexts in which sensemaking actually takes place are often overlooked. Weick, Sutcliffe, and Obstfeld (2005) also mention a need for more focus on mechanisms that link micro-macro levels of analysis (pg. 417) and Brown, Colville and Pye (2015) again discuss this point. This research therefore contributes to the discussion about how larger institutional contexts affect sensemaking processes. In this regard, Weber and Glynn (2006) suggest that institutions play an active role in sensemaking by triggering, priming and editing sensemaking, and call for more research to examine each of these three mechanisms. Through this research, empirical evidence about the existence of all of these three mechanisms is provided, and it is suggested that the priming and editing processes occur in an iterative cycle (see following section for a discussion on this). It also suggests that anticipation of impending changes in the institutional context generates anticipatory future oriented sensemaking (eg. Maitlis and Tsoukas, 2015) which starts the priming and editing process in advance in some situations.

Sensemaking in the Mandated CSR Context

As has already been discussed, this research has investigated the underlying factors (mental frames and sensemaking processes) that “trigger or shape [CSR] activities” (Basu and Palazzo, pg. 123) and which affect managerial decision making. According to Maitlis and Christianson (2014) sensemaking triggers can include government regulatory changes and other such changes that create an environment which generates uncertainty regarding how to act. It was therefore expected that by examining such sensemaking processes of organisational stakeholders, it would be possible to explain how and why firms

react the way that they do to the introduction of a new law, and why some firms react in certain ways while some do not (Basu and Palazzo, 2008). This research has therefore studied how the macro level government legislation mandating CSR as a whole has affected organisational level sensemaking processes affecting CSR implementation, practice and outcomes.

As was found, enforcement of the CSR law disrupted earlier notions of voluntary CSR and generated uncertainty among the affected firms about how they needed to position themselves in the presence of the CSR law. It **triggered sensemaking** (Weick, 1995) about the law and about how they could act in its presence. The result of this sensemaking was alterations in earlier frames (eg. Maitlis and Christianson, 2014, Weick, 1995, Bartunek, 1984) and meanings associated with CSR governance and implementation processes (eg. move towards sustained CSR projects and altered governance procedures, move towards strategic CSR). It also led to a host of other peripheral (yet important) changes (rise of unintended beneficiaries, shifts in influence and power dynamics etc. in the presence of the law due to those with lesser formal power gaining an opportunity to construct meanings in ways that resonated with others (Maitlis and Sonenshein, 2010)) around CSR practice.

The enforcement of the law then encapsulated CSR in a legal institutional framework, which was a change from the initially institutionalised voluntary form of CSR existing in the country, characterised predominantly by low involvement and dispersed sporadic CSR activity. According to Weber and Glynn (2006), institutions prime sensemaking by providing social cues, and generate a limited set of 'typifications' or abstractions (Weick, 1995) that can be used to start construction of a course of action. Glynn and Abzug (2002), for example, demonstrate how institutional conformity shapes and primes organisational sensemaking by studying how it affects organisational naming standards.

Since it is now the law, conversations indicated understandings of CSR as an external corporate social welfare activity requiring compliance with the law. The framing of the law and the legal identity acquired by CSR therefore **primed**

sensemaking by generating a set of ‘typifications’ that are now being used to start construction of a course of action. Considering that it is now the law, the need to abide by its rules has primed sensemaking of the affected stakeholders resulting in an increase in CSR practice (and orientation of CSR governance in accordance with the law). The legal CSR framework has provided social cues for sensemaking about CSR, and since it is now legally mandated to engage in CSR, compliance with legal requirements has generated the will for more CSR implementation and engagement in activities (eg. working with NGOs) associated with it.

Interestingly, apart from the legal institutional context, the historic legacy surrounding CSR along-with the socio-economic context and corresponding emotions (Maitlis, Vogus and Lawrence, 2013, Rafaeli et al., 2009, Maitlis and Sonenshein, 2010, Maitlis, 2014, Kataria et al, 2017) have also primed sensemaking by helping legitimise the law in its current (externally oriented non-core welfare oriented) form and by also helping consolidate its understanding as an external welfare activity. The framing of the law has generated empirical credibility (considering the socio-economic context) and cultural resonance (considering the historic context) and thus holds salience in the current Indian socio-economic context (Benford and Snow, 2000).

According to Weber and Glynn (2006), through the ‘edit’ process, institutions police and retrospectively edit actions and meanings thus generating modifications in actions that do not fit into the institutionalised expectations (Weber and Glynn, 2006). In the presence of the law, corporate actions that do not fit into or “resonate” (Benford and Snow, 2000) with expected legal requirements have a threat of being faced with formal and informal (eg. threat of civil society pressures) sanctions generating potential retrospective feedback mechanisms. Also, activities such as, for example, it was indicated on one occasion that some companies have considered editing their earlier higher CSR spending practices bringing them down to 2% after the law, highlight retrospective editing processes (triggered due to increasing shareholder attention after the law curbing extra CSR spend). Earlier CSR

activities have been altered and edited by most firms, and there is further segregation of 'CSR' from other aspects of business responsibility. In cases where community representatives have now started demanding for corporate CSR funds based on their sensemaking about the context and the opportunity generated by it, companies have edited their actions by, for example, shifting their CSR projects to other areas or creating FAQs and other tackling mechanisms. The legal institutional context has thus been instrumental in **editing sensemaking** and shaping corresponding actions in accordance with understandings about its requirements.

The fact that NGOs are editing their ways of working in accordance with corporate requirements also acts as evidence suggesting retrospective editing processes where corporates (and the funding opportunities they generate) have 'made' NGOs think about credibility and formalisation related matters to fit into corporate (and thus institutional) expectations if they wish to access CSR funding. NGOs have had to make sense of corporate sensemaking and expectations based on which they have edited their earlier ways and have developed better processes for working with corporates.

Interestingly, **the priming and editing processes appear to work in an iterative cycle** in the unfolding institutional context of mandated CSR. For example, BuildCom started engaging in more CSR after the law, and hired a CSR manager to take care of the company's CSR activities. The company also altered its CSR governance procedures in accordance with the law. The CSR law thus, first of all, triggered sensemaking prompting the company to do something about their CSR practice. The company edited its existing sporadic charity related CSR activities and started looking into activities that were acceptable under the legal requirements. Interestingly, it was found that in order to subvert greater uncertainty and to be ready for any surprises, BuildCom engaged in some changes in their CSR practices even before the law was implemented, when they received cues indicating that a law of this nature was going to be enforced soon. Thus, in anticipation of future regulatory changes pertaining to the law, there was engagement in **future oriented**

sense making in-order to create a cushion for reducing greater disturbance when the law was finally enforced.

Initially primed by the knowledge that CSR was going to be mandated by law, BuildCom edited their CSR activity and tried to strategically individualise their CSR in anticipation of the law. However, later when the law came in, they found that counting employee volunteering hours towards CSR was not going to be acceptable. Primed by this new knowledge, and in-order to keep up with the legal expectations fearing sanctions they re-edited their CSR stance and instead started engaging in CSR projects and employee engagement related CSR activities.

Interestingly, as the CSR head of the company recounted, the CSR activities that the company started immediately after the enforcement of the law were non-strategic and purely welfare inclined. Thus, although CSR was now understood as being legally mandated, the actual CSR activities were primed by understandings about the earlier institutional CSR context within which CSR was mainly about charity and philanthropy and by the understandings of legal requirements at that point. With time and with the consistent effort of the CSR head (through his sensemaking and sensemaking (Rouleau and Balogun, 2011, Balogun et al., 2008, Gioia and Chittipeddi, 1991)), the company later refocused on a strategic CSR approach, with more activities now decided based on strategic and mutually beneficial objectives. This was a result of the second gradual priming and editing process (pertaining to strategizing CSR) that the CSR head initiated, and which was also affected by activities taking place in the larger institutional context (since as was found, there appears to have been a gradual move towards more strategically inclined and mutually beneficial CSR activities). It could be expected that since the law is still in its early stages of implementation, new changes in surrounding CSR practices (changes in the institutional field) and more understandings about unfolding government stances and procedures, would trigger further iterations of priming and editing of sense affecting CSR related actions and outcomes until the newly institutionalised form of CSR in India stabilises to a greater extent.

8.7. Conclusion

This chapter provided an overview of the research contributions and discussed the overall understandings generated through this study.

It suggested that mandatory CSR, as regulated by the Indian government, does little to address the problems associated with voluntary CSR approaches, and may in fact be a less desirable alternative. The blended approach, such as created by the legal mandate in India is not, in and of itself, sufficient to improve CSR practice, and a reframing of processes and sector competencies is needed to better address the issues that need addressing under the CSR umbrella.

The chapter also discussed how this research has contributed to CSR and sensemaking literatures.

The next chapter will provide a conclusion for this research and will discuss policy implications, research limitations and areas of future research.

Chapter 9 Conclusion

9.1. Purpose and Aims

The purpose of this chapter is to conclude this research thesis titled '*Making Sense of Mandatory CSR: An Empirical Investigation*'. The overall objective of this research has been to explore mandated Corporate Social Responsibility (CSR) through a government legislation, and to understand resultant changes in interpretations and understandings, and therefore in CSR practice (along-with outcomes of this for the intended beneficiaries).

This chapter summarises all of the preceding chapters and provides concluding remarks on the research findings. It provides,

1. Concluding remarks about what has been discussed through this document,
2. Implications for policy makers and organisational leaders based on the findings of this research,
3. A discussion about the limitations of this research and
4. Delineation of possible areas of future research.

9.2. Concluding Remarks

This research culminated from an interest in understanding how and whether mandating CSR through legal means could improve the practice of CSR, and whether it could benefit society and the world at large.

This research therefore sought to understand the implications of 'mandatory' CSR, as mandated by the Indian Government, and the extent to which such mandatory CSR could redress some of the recurring problems found within articulations and practice of CSR as a voluntary phenomenon.

The objective of this empirical research has been to investigate how the creation of a CSR law, and thus mandatory engagement in CSR as a whole, shapes how managers, and intended beneficiaries of CSR activity, think about

and practice CSR. Under this larger research agenda, it has focused on the investigation of how meanings, interpretations and understandings of managers, beneficiaries and other stakeholders (eg. NGOs, implementation partners) have changed or have been changing or evolving due to the law requiring mandatory CSR engagement. The idea has been to understand how sensemaking activities have influenced existing interpretive schemes. Secondly, this research has aimed at understanding how such an approach to CSR unfolds in practice. The final aim of this research has been to understand how those who are intended to benefit through these practices are in fact influenced. It has therefore focused on how the process of sensemaking has influenced or has been influencing the evolution of CSR practices within organisations, along with the perceptions of benefits arising from them according to groups within and outside the organisational boundary.

In order to study this empirical context, an interpretive inductive and exploratory multi-method qualitative research approach was undertaken in order to help in answering the 'how' and 'why' research questions that this research set out to address pertaining to CSR practice. A multiple-method qualitative design approach with semi-structured interviews and two case studies was used to conduct this study. The two cases helped in understanding "how" CSR was being practised, made sense of and implemented within the organisations. The field interviews supported the case-study data by providing additional inputs and external understandings from a variety of sources and perspectives, thus providing more depth and support to the final findings.

After pointing out the scarcity of literature discussing particular forms of mandatory CSR (and especially government mandated CSR) and their impact on how CSR is perceived and enacted, sensemaking and enactment of this sensemaking with respect to the different aspects of CSR implementation in the Indian CSR context was discussed through the findings chapters.

There are four main contributions of this research. One, mandatory CSR, as regulated by the Indian government, does little to address the problems associated with voluntary CSR approaches, and may in fact be a less desirable alternative. This is due to four factors: continued ignorance of power structures, poor monitoring structures, a restrictive definition of CSR and a focus on spend, rather than impact.

Two, although the literature suggests that blended approaches to CSR may be better at addressing CSR related concerns than voluntary or mandatory approaches alone, the empirical evidence in this study suggests that a blended approach, such as created by the legal mandate in India is not, in and of itself, sufficient to improve CSR practice. Rather, particular components of CSR practice need to be mandated to ensure much clearer understanding and engagement with those who are intended to benefit.

Three, through the law, the government has sought to synergise partnerships within the different sectors (Chatterjee, 2013a) where corporates provide management process expertise, strategic approach and flexibility in investing in social causes; the government provides reach, infrastructure and manpower, and NGOs provide ground level expertise and actual on-ground implementation. Interestingly, the law has indeed generated more participation in CSR from these sectors, however, because they are contributing their expertise rather than working more collaboratively with it, there is a 'piecing up' of responsibility, rather than all sectors jointly owing CSR issues. This is leaving gaps in the contributions, through which many who are intended to benefit fall out. The current framing of competencies results in the maintenance of social structures as they are, rather than working to redress them and the problems that they create, such as voiceless beneficiaries. Thus, a reframing of sector competencies is needed to better address the issues that need addressing under the CSR umbrella.

Four, Weber and Glynn (2006) suggest that institutions play an active role in sensemaking by triggering, priming and editing sensemaking, and call for more research to examine each of these three mechanisms. Through this research,

empirical evidence about the existence of all of these three mechanisms is provided, and it is suggested that the priming and editing processes occur in an iterative cycle. It also suggests that anticipation of impending changes in the institutional context generates anticipatory future oriented sensemaking (eg. Maitlis and Tsoukas, 2015) which starts the priming and editing process in advance in some situations.

9.3. Implications of this Research for Policy Makers and Company Leaders

The practical implications from this research could be applicable to policy makers who wish to improve or assess their existing CSR related policies or implement new CSR policies. The outcomes of this research also may be applicable for organisational leaders who wish to improve their organisational CSR practices.

The findings from this research are intended to aid in identifying issues and opportunities associated with the currently existing form of CSR law in India. By presenting how this law has been perceived and enacted and it's positive and negative consequences, this research has therefore provided a guidance for policy makers regarding whether such a law could be advantageous in a given context.

The research highlights how the current CSR law generates more awareness and implementation of CSR in the Indian context. However, it also highlights how it falls short with respect to redistribution of power, generates marginal benefits considering its low focus on actual impact, generates a focus on compliance rather than on impact, legitimises CSR as an external welfare activity and does not foster greater stakeholder (especially beneficiary) participation. This research therefore provides policy makers with key points to consider while drafting similar CSR related policy measures.

For company leaders interested in improving their CSR practice, this research suggests how greater CSR involvement entails better CSR structuring and

organisation and emphasises the fact that this requires commitment of the organisational leaders themselves. It also highlights that for more impactful CSR and sustained mutual benefit, a broader conceptualisation of CSR taking into consideration different stakeholders along-with the ethical aspects of CSR makes good sense.

9.4. Research Limitations

This research has been limited by three main issues. First, the study was earlier designed to include in-depth data from the cases including internal archival records, meeting minutes, data collected during CSR strategy and board meetings etc. However, although access was provided by the two case companies for research, this access was not as deep as was initially envisioned as the researcher was unable to acquire in-depth access to such information. Therefore, perspectives in this research have been limited to interviews undertaken within these companies and observations that could be made during meetings that the researcher was allowed to attend (along with some more secondary data that was made available). The field interviews that were conducted alongside however aided in generating more understandings within the overall CSR context. Secondly, the presence of gatekeepers within the cases meant that access to certain individuals was guarded, limiting access to more perspectives. Thirdly, since the research was conducted only after the law was implemented, only retrospective data relating to past CSR implementation practices could be collected and recorded.

9.5. Areas for Future Research

There are a range of possible future research areas which have been identified through this research. Some of these have been mentioned below.

1. A deeper investigation could be conducted into how power imbalances affect CSR related outcomes in the mandated CSR context.
2. A deeper investigation into the effects of the presence of unintended beneficiaries.

3. Whether and in what circumstances is CSR through implementation agencies (such as NGOs) vs that through the firm's own implementation personnel better for community engagement and its impact.
4. A longitudinal study of how changes occur to CSR implementation, which actors are strengthened, how the whole situation shapes up with time and how changes occur to the CSR policy itself.
5. A comparative study of the CSR policy implementation between India and Mauritius (both countries having a similar mandatory CSR policy) to unravel similarities and differences in implementation and the reasons for any differences.
6. A longitudinal study to understand how and whether sense changes about what entails CSR and how it is practiced (in the presence of the Indian CSR law).

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Appendix 1

Sample Letter to Potential Interview Participants

Dear Mr./Ms. (name),

Hope you are well.

I am Namita Shete and I am currently working on my PhD with the Centre for Business Organisations and Society within the School of Management at the University of Bath. For my PhD I am mainly investigating the evolution of the Indian CSR scenario and how the Companies Act requirement for corporate social responsibility (CSR) is influencing perceptions about CSR thus affecting its practice within organisations.

Having visited the company website and having gone through the company's CSR related information on the internet describing its CSR involvement, I will be very interested in gaining further insights from you and your colleagues if possible in-relation to my research topic. I would therefore like to request you to help me seek permission for carrying out my research pertaining to CSR at (company name).

Kindly please find attached along-with this email an official research request letter for (company name). Also, please find attached a set of research questions that will provide you with a brief idea about the sort of information that I will be interested in seeking for my research. My questions will be loosely based around the ones mentioned. The information that will be collected through my research will be used for academic purposes only. All the data that will be collected will be confidential and anonymous and I will be happy to sign any confidentiality agreement if so needed.

Thank you in advance and I hope that you will consider my request. Hoping to hear back from you soon.

Kind Regards,

Appendix 2

The CSR Law: Company's Act 2013, Section 135

135. Corporate Social Responsibility.— (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,—

(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.—For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

Amendments to section 135 as per Official Gazette dated January 3 2018:
(see next page)

37. In section 135 of the principal Act,—

Amendment of
section 135.

(i) in sub-section (1),—

(a) for the words "any financial year", the words "the immediately preceding financial year" shall be substituted;

(b) the following proviso shall be inserted, namely:—

"Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.";

(ii) in sub-section (3), in clause (a), for the words and figures "as specified in Schedule VII", the words and figures "in areas or subject, specified in Schedule VII" shall be substituted;

(iii) in sub-section (5), for the *Explanation*, the following *Explanation* shall be substituted, namely:—

*'Explanation.—*For the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.'

SCHEDULE VII

(See section 135)

Activities which may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:—

- (i) eradicating extreme hunger and poverty;
- (ii) promotion of education;
- (iii) promoting gender equality and empowering women;
- (iv) reducing child mortality and improving maternal health;
- (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi) ensuring environmental sustainability;
- (vii) employment enhancing vocational skills;
- (viii) social business projects;
- (ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- (x) such other matters as may be prescribed.

Appendix 3

CSR Rules 2014:

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Corporate Affairs

Notification

New Delhi, dated 27th Feb 2014

G.S.R. ____ (E). – In exercise of the powers conferred under section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, namely: -

1. Short title and commencement. – (1) These rules may be called the Companies (Corporate Social Responsibility Policy) Rules, 2014.

(2) They shall come into force on the 1st day of April, 2014.

2. Definitions.- (1) In these rules, unless the context otherwise requires, -

(a) “Act” means the Companies Act, 2013;

(b) “Annexure” means the Annexure appended to these rules;

(c) “Corporate Social Responsibility (CSR)” means and includes but is not limited to :-

(i) Projects or programs relating to activities specified in Schedule VII to the Act; or

(ii) Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition

(2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

3. Corporate Social Responsibility. -

(1) Every company including its holding or subsidiary, and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, which fulfills the criteria specified in sub-section (1) of section 135 of the Act shall comply with the provisions of section 135 of the Act and these rules:

Provided that net worth, turnover or net profit of a foreign company of the Act shall be computed in accordance with balance sheet and profit and loss account of such company prepared in accordance with the provisions of clause (a) of sub-section (1) of section 381 and section 198 of the Act.

(2) Every company which ceases to be a company covered under sub-section (1) of section 135 of the Act for three consecutive financial years shall not be required to -

- (a) constitute a CSR Committee; and
- (b) comply with the provisions contained in sub-section (2) to (5) of the said section,

till such time it meets the criteria specified in sub-section (1) of section 135.

4. CSR Activities.-

(1) The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

(2) The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered

society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise:

Provided that—

- (i) if such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
 - (ii) the company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- (3) A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
- (4) Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
- (5) The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
- (6) Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent. of total CSR expenditure of the company in one financial year.
- (7) Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

5. CSR Committees.-

(1) The companies mentioned in the rule 3 shall constitute CSR Committee as under.-

(i) an unlisted public company or a private company covered under sub-section (1) of section 135 which is not required to appoint an independent director pursuant to sub-section (4) of section 149 of the Act, shall have its CSR Committee without such director ;

(ii) a private company having only two directors on its Board shall constitute its CSR Committee with two such directors;

(iii) with respect to a foreign company covered under these rules, the CSR Committee shall comprise of at least two persons of which one person shall be as specified under clause (d) of sub-section (1) of section 380 of the Act and another person shall be nominated by the foreign company.

(2) The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

6. CSR Policy.-

(1) The CSR Policy of the company shall, inter-alia, include the following, namely :-

(a) a list of CSR projects or programs which a company plans to undertake falling within the purview of the Schedule VII of the Act, specifying modalities of execution of such project or programs and implementation schedules for the same; and

(b) monitoring process of such projects or programs:

Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company.

Provided further that the Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the Act.

(2) The CSR Policy of the company shall specify that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

7. CSR Expenditure.- CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

8. CSR Reporting.-

(1) The Board's Report of a company covered under these rules pertaining to a financial year commencing on or after the 1st day of April, 2014 shall include an annual report on CSR containing particulars specified in Annexure.

(2) In case of a foreign company, the balance sheet filed under sub-clause (b) of sub-section (1) of section 381 shall contain an Annexure regarding report on CSR.

9. Display of CSR activities on its website. -

The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website, if any, as per the particulars specified in the Annexure.

(File No. 1/15/2013-CL.V)


(Renuka Kumar)

Joint Secretary to the Government of India

Appendix 4

1. Excerpt from MED_GAD_Beneficiary1 Interview Transcribed by the Author

Question: You teach in the ICT Lab?

Teacher: Yes I do.

Question: GAD works with you, can you tell me how it is now and how it was before this?

Teacher: The response of children is very important in this. So initially, since this is a rural area, children did not know much about computers. Initially they were afraid to even handle the computers when we allowed them to. We had to teach them everything starting from turning the computers on. They had never seen computers. Everyone does not have one at home like in the cities. Here we sat each student down and taught them right from the beginning (from scratch). In the end, the children's response increased so much, as in they started liking it. They now make very nice presentations (ppt) by themselves. Their fear about it has completely vanished.

Question: Ok, so you have observed a positive change through this?

Teacher: Yes a change also in the children.

(Me: I have not come from the company as such by the way! I am doing my PhD so please tell me everything as it is..I am an external)

Teacher: Yes that's ok!

Question: So overall you feel all this is positive? Its benefiting..

Teacher: Yes, it is very beneficial for the children.

Question: So they come by themselves and get involved?

Teacher: Yes they get involved by themselves. Information about new technology is communicated to students whenever it comes in. Due to this, due to the lab there is more attraction for the students. And number of students have also increased.

Question: Had some other organisation come here before this to help, or has this increased after their GAD getting involved..?

Teacher: In relation with computers?

Question: No.. had someone come before this to work in the school..? To help?

Teacher: No.. they come but it does not last until the end.

Question: But these people have continued..?

Teacher: Yes yes.. So now this has come into a routine now.. Many of our problems are still as they are. Whenever people from the outside come (to help) we feel that some of our problems will be resolved. After that day gets over (or that period gets over) it remains the same.

Question: But has this helped the students with respect to the e-learning and computers?

Teacher: Actually it is a central government's project. The central government has given this project here. They have chosen a few schools in Maharashtra, schools that have received a grant. The schools that have a grant, in those schools they have set up a lab.

Question: So if ICT labs have been set up by the Government, then what did the company do?

Teacher: The company has set it up, and the money is provided by the government.

Question: Ok

Teacher: In that.. every company has a different system. Now this comes under the rural area, in the end everyone looks at their self interest, even if it is a company. Here if there are 80% facilities, in the cities there are more people, more people related to the companies are available, then provide 100% facilities there.. such partiality/distinction remains. But something is better than nothing in the end.

Question: But I don't understand, funding comes from the Government, but GAD does the set. What does that mean? They look at whether the facilities are ok, and then they follow up later..?

Teacher: Yes they do an audit all the time. They check whether the facilities provided by the government are reaching the children. Then sometimes a government person comes in to check, or even the company people come in and check.

Question: Interesting, so monitoring happens..

Teacher: The PM also speaks about digital India.. now, if it reaches the rural areas, then it is easily possible. Because people have computers in their own houses in the cities. Now, although we have 44 students, only 4 of them will have a computer at home. The (other or remaining) 40 students are completely dependent on the lab.

2. Excerpt from MED_GAD_Beneficiary1 Interview Transcribed by External translator-transcriber

Question – Can you tell me if you teach in the ICT Lab?

Teacher – Yes, I do.

Question – Can you tell me how GAD works with you? How was it before and how is it now?

Teacher – The response of the students is very important in this. Since this is in a rural area, the students were not aware of computers. They used to be frightened earlier when we allowed them to access the computers. We had to teach them from scratch, even turning the computers on. They had never seen a computer. This is unlike the cities, where every home has a computer. We had to explain to every student from the very basics. There was such a positive response from the students after this, and they started liking this. Now they can make very good presentations (ppt) by themselves. They are not afraid about it anymore, at all.

Question – Good. So there has been an improvement (/positive beneficial change) for the students?

Teacher – Yes – there is an improvement. Also in the children.

(I haven't come from the company. I am external to this situation. I am working on my PhD, so please feel free to tell me in detail)

Teacher – Yes that is fine!

Question – So do you think this is positive and helpful..?

Teacher – Yes, it is very useful for the students

Question – Do they get involved themselves?

Teacher – Yes, they do. We get information on new technology and that is communicated to the students. Students find the lab more attractive due to this. The number of students has also increased.

Question – Had some other organization come to the school before this, or has it increased after their (GAD's) involvement?

Teacher - Regarding computers?

Question - No, in general. Had anyone come before to the school to help?

Teacher – they do come, but don't last till the end.

Question – But GAD has continued?

Teacher – Yes this has become a routine now. The problems that we used to have earlier have still remained the same. We feel that if someone external has come, maybe our problems will be solved. But after they have left it remains the same.

Question – But has this helped the students with the e-learning and computers?

Teacher – Yes. Actually it is a central government project. They have selected a few schools in Maharashtra – the schools that have received a grant from the government. They have set up a lab in schools that have received a grant.

Question – if ICT labs have been set up by the government, then what role does the company play?

Teacher – The set-up is done by the company, but the funding is from the government.

Question – OK

Teacher – Every company has a different system. This is a rural area, in the end everyone, even companies look at their self-interest. Normally, if there are 80% facilities here, then there are more people in the cities, more people related to the companies are available there, then (they) provide 100% facilities there. Such partiality remains. But in the end, something is better than nothing.

Question – But I did not understand how the government funds and then GAD sets it up? How does this exactly work? Do they check if everything is okay and follow up?

Teacher - Yes, they do an audit frequently. They check if the facilities given by the government are reaching the students. Sometimes, someone from the

government also comes and checks, also people from the company come and check.

Question – Interesting. So, there is monitoring as well.

Teacher – The PM also does talk about digital India. It will be easily successful if it reaches the rural areas. Because in the cities, people have computers in their own houses. Although there are 44 students here, only 4 students will have a computer at home. The remaining 40 are completely dependent on the lab.

Appendix 5

Addendum: Minor Corrections to thesis after viva voce.

The following comments were received from the examiners at the viva voce exam conducted on December 14, 2018:

Following a review of the PhD thesis and the viva voce exam, we would like to make the following comments to explain our decision that the candidate should pass only after making minor revisions to the thesis:

1. The literature review should highlight, explain and evaluate the implications for your research questions that are found in the literature relating to Institutional Theory. This includes, but may not be limited to, studies of coercive institutional pressures.
2. Following on from the previous point: the evaluations of the contributions of your work should include an explanation and discussion of the value-added beyond the insights of Institutional Theory. Please explain the nature and importance of this value-added.
3. In the viva voce exam, we discussed the contributions of the research in some detail. Consistent with that, we request a discussion of these contributions that offers a more nuanced and careful exploration of the implications of your findings with respect to the blending of voluntary and mandatory CSR.
4. Again, in the viva voce exam, we discussed the potential for your research to inform the CSR sensemaking literature. This highlighted insights relating to CSR-related dynamics. Such implications of your work should be appropriately highlighted and discussed.

Please note: Your responses to these points should be submitted as an addendum to the thesis, which sets out the response to each numbered point in turn. Thus, we do not require the submission of a revised version of the full

thesis. We expect this additional document to comprise 6-8 pages. Good luck with the development of your work.

Professor Jean Pascal Gond

Cass Business School, City University of London

Professor Stephen Pavelin

School of Management, University of Bath

Please find below the response to each of the four points mentioned above.

Point 1:

The main objective of this empirical research is to investigate how the creation of a CSR law and thus mandatory engagement in CSR shapes stakeholder understandings (and interpretative schemes), thus affecting how they think about and practice CSR. Secondly, this research aims at understanding how such an approach to CSR unfolds in practice. The final aim of this research is to understand how those who are intended to benefit are in fact influenced. This research therefore focuses on how the process of sensemaking has been influencing the evolution of CSR practices within organisations, along with the perceptions of benefits arising from them according to groups within and outside the organisational boundary.

Investigating the institutional theory literature relating to the research questions has generated insights along three key themes. To begin with, mandatory pressures on organisations are discussed as coercive isomorphic pressures within the institutional theory literature (DiMaggio & Powell, 1983; Edwards et al., 2009), where scholars like Sanders and Tuschke (2007), Masocha and Fatoki (2018) and Zhu and Sarkis (2007) suggest that such coercive pressures have a significant impact on improving targeted practices.

Some other scholars (like Scott, 1987; Tolbert and Zucker, 1983 cited in Roszkowska-Menkes and Aluchna, 2017) however argue that coercive institutional pressures promote rather “superficial changes in organisational structures and practices, encouraging only formal introduction of changes that are loosely coupled to actual (informal) business activities (Meyer and Rowan, 1977)” (Roszkowska-Menkes and Aluchna, 2017, pg. 10). Organisations may at times respond to externally imposed expectations and standards, “by developing alternative standards for the same practices” thus generating a “substitution response” (pg. 1) refocusing attention from noncompliance to the alternative standards (Okhmatovskiy and David, 2012).

According to Parry and Tyson (2009), compliance to social norms expressed in law may therefore not be achieved only through coercion. Some firms may comply with the law passively while some others may, as a part of their moral duty, be genuinely interested in the social and anti-discriminatory activities supported by the law. With respect to some others however, a good business-related case or reason for compliance might be sought which justified the cost of implementation. The scholars therefore argue that new legislation may not simply result in conformity and may generate a variety of responses, since not all organisations may react in the same way to the introduction of new laws, and their responses may be based on factors such as sectoral differences, earlier approaches and top management support.

The next theme discussed within the institutional theory literature therefore relates to the different organisational strategies in response to the coercive pressures. Oliver (1991) discusses the presence of organisational self-interests and active agency within the strategic reactions to institutional influence and coercive regulation. The author discusses how organisational responses may vary from passive conformity to active resistance depending on the nature and context of the pressures (Oliver, 1991). The different strategies and responses adopted depend on the nature of the institutional pressures, based on why those pressures are being exerted, who is exerting them, what those pressures are, how or by what means they are being exerted,

and where they occur (Oliver, 1991). In some cases the institutional complexity that is developed leads decision makers to actively delay compliance to coercive demands, using this time to “attempt to reduce institutional complexity by neutralizing opposing pressures, challenging the coercive pressure, adapting the practice to suit opponents and their own personal beliefs, and/or waiting to see how the situation would unfold as multiple parties influenced one another” (Raaijmakers et al., 2015, pg. 2).

Edelman (1992) suggests that laws that are broad, vague and ambiguous, that regulate procedures rather than procedural outcomes (or impact) provide firms with the opportunity to comply while having little substantive effect, and those that require weak enforcement mechanisms provide more opportunity for organisations to construct their own meaning of compliance and subsequently mediate them. This, according to Edelman and Talesh (2011) is a socially constructed process favouring individual interests which get institutionalised and widely accepted among businesses and later also legitimised among other legal and institutional actors, thus shaping what the law means itself. Edelman (1992) therefore argues that rather than resisting laws overtly, organisations at times get motivated by their weaknesses in-order to construct compliance that causes minimal changes to existing business practices.

The final theme that reflects within the literature review then relates to decoupling. Citing Meyer and Rowan (1977), Boxenbaum and Jonsson (2017) mention how when coerced into adapting to societal expectations which may not generate efficient solutions for their operations, organisations may engage in decoupled responses. They may superficially adopt expected practices while not actually implementing them in spirit. Such decoupling practices may generate a “deliberate disconnection between organizational structures that enhance legitimacy and organizational practices that are believed within the organization to be technically efficient” (Meyer and Rowan, 1977 cited in Boxenbaum and Jonsson, 2017, pg. 33). Organisations may engage in decoupling depending on their context and internal environments to minimise risk and pacify conflicting demands (Boxenbaum and Jonsson, 2017).

Interestingly, decoupling may sometimes not only relate to non-compliant organisations, but also to compliant ones that do not attain the goals intended by the policy makers. Even when organisations engage in substantial compliance, Wijen (2014) argues that means-end decoupling may occur when overwhelming attention is accorded to seeking compliance which distracts focus from ensuring that the real goals behind the law are actually achieved.

Overall, the review of the institutional theory literature provides insight into how organisations respond to coercive institutional pressures. It therefore firstly generates understanding about how organisational practices in response to coercive pressures unfold, addressing the second research question to some extent. Given the key interest in understanding whether or not a mandatory government legislation for CSR may generate any benefit to the intended beneficiaries (third research question), it helps understand how such a law may or may not generate benefit based on the presence of superficial and/or decoupled responses. However, this literature does not answer one of the key research questions that this research sets out to uncover, and this is discussed in detail in point 2.

Point 2:

Although the above literature review provides information about organisational responses to coercive pressures, it does not provide information about how coercive institutional pressures in the form of laws and regulations shape how stakeholders including managers and intended beneficiaries actually think about and practice CSR. It does not talk about how meanings are negotiated and how sense is made of the different mandatory expectations by the individual affected stakeholders who then interact with others generating shared understandings that produce organisational responses. The institutional perspective falls short of discussing how the different stakeholders get involved, what elements of the mandate generate maximum focus and cause the most sensemaking, how they react and interact with one another within this context, also affecting relationships among them.

This research extends such understandings by studying the underlying sensemaking processes involved. It helps understand how institutional actors shape their responses and therefore helps to better understand how agency works within the institutional context. A process-sensemaking view of CSR is thus generated within the changing institutional context of mandated CSR linking the macro and micro levels of analysis. It also adds to the understanding of a “second-level sensemaking” process that actors engage in while generating their strategic responses (discussed further in point 4).

Point 3:

With its comply-or-explain character, the Indian CSR law acts as a particular ‘blended’ approach to CSR or ‘articulated regulation’ (Utting, 2005). Considering that the law has mandated a concept that has hitherto been discretionary and also considering the fact that it requires specific monetary and governance requirements, the law has triggered sensemaking among the different affected stakeholders. Different people have reacted to its presence in different ways, with some sensemaking that it generates an opportunity for welfare while some others thinking of it as an inconvenience and a form of tax.

The law has primed and edited sensemaking processes, and the earlier dominant philanthropic, unstructured and ad-hoc approach to CSR has gradually moulded into a more substantive CSR ‘engagement’ or ‘involvement’ approach with larger and more thought-out social projects. There has been a shifting of existing frames of reference. The historic Indian legacy associated with corporate philanthropy and the socio-economic context have aided in the sensemaking processes, also helping legitimise the law in its current form. There has therefore been an overall changing of sense around structuring and implementation of CSR and also in terms of its now-expected longer-term focus. However, CSR still remains a set of concerns external to core business operations. Through its framing, the law has legitimised CSR as external welfare and consolidated it as such in the minds of the stakeholders. CSR in this situation has acquired approval and legitimacy as corporate external welfare, and compliance with CSR rules makes companies CSR compliant.

Alongside there is no strong challenge from the government about what companies actually do with respect to their CSR. The framing of the law has therefore encouraged firms to engage in external social welfare in a formalised fashion, leaving internal concerns outside the realm of CSR.

Given the flexibility within the law, if the sensemaking of the organisational leaders leads them into taking an 'engagement' approach mainly targeting compliance, the benefits accrued appear mixed and no better than chance. If organisational leaders take more of an 'involvement' approach, outcomes for beneficiaries appear improved. Interestingly, the variation in CSR approaches reflect leadership sensemaking about their priorities and interests.

Sensemaking about the law has also maintained, and in some cases, even fuelled power imbalances between companies and their beneficiaries (or beneficiary representatives) due to companies assuming the status of welfare providers with available funds while the latter look for welfare and funds. With rising co-dependence between the actors, there is rising influence of stakeholders such as NGOs and CSR managers along-with shifting of power dynamics pertaining to representatives of community groups vying for corporate funds. This means that instead of alleviating earlier challenges pertaining to power structures, sense made of the law has generated greed and, in many cases, strengthened power differentials creating barriers to improved welfare.

As is found, the law does not address any particular 'diligence steps' (Mares, 2010) to assess quality and impact and as found, mainly targets corporate spending on CSR. In such a situation, corporates sense that they need to minimise disruptions to their existing practices and generate negotiated (Mares, 2010) responses with maintenance of power structures. The current mandate determines parts of the process that need to be followed for CSR implementation, while the other parts are left for the corporates to decide. Particular processes that might include intended beneficiary voices are encouraged but not mandated since they are assessed mainly based on reported data. The parts that are mandated do not appear to be dealing with

the real issues in terms of who is benefitting. Therefore, processes that are needed to be mandated are not mandated in the current form of the law. The law in its current form still leaves the substantive elements of CSR practice with the companies themselves (Zerk, 2006). Unfortunately, with NGOs looking for welfare funds through CSR and with overall low civil society pressures to address better CSR outcomes that hold companies more accountable, the private sector's power is not ““countervailed by other forces in society,” [and] the outcome reflects “public-private governance that largely reflects corporate interests” (Mayer, 2014: 357; 358)” (Kinderman, 2016, pg. 31). Meanwhile, there is a rise in the unintended beneficiaries of CSR such as NGOs and implementation partners, consultants and CSR managers. Such unintended beneficiaries have sensemade opportunities for their own benefit while voices of the actual intended beneficiaries are still left unheard in many cases.

While trying to understand the ‘regulatory potential’ (Zerk, 2006) of the CSR law (or the potential to change corporate behaviours), it is found that the blended approach fostered through this law generates more CSR participation. It however does not appear to be very effective in fostering better CSR outcomes through sensemaking about deeper ground level concerns associated with CSR practice. Due to the way it has been framed and enforced, it does not appear to be the most effective approach in achieving the CSR public policy goals either (Steurer, 2010 pg. 67-68) in terms of impact on beneficiaries as envisioned by the policy makers. This discussion therefore highlights the fact that not all forms and approaches to blended CSR are likely to be appropriate for better and more effective CSR outcomes.

Building on the ideas of Frynas (2012), this research suggests that the government would perhaps need to look into concerns addressing who decides and who speaks for whom (Utting, 2005) rather than merely investing in the relatively superficial approach of reporting and governance procedures focusing on compliance and spend. More ambitious government level intervention through outcome and process setting to a) ensure that the CSR

activities have a net benefit and b) they (the government and also the corporates) do not pass off responsibility would be required. Instead of taking an arms-length approach and standing back and encouraging companies and NGOs to work together, the government would need to take an active role in fostering meaningful and effective collaborations. Such collaborations would promote effective outcomes for firms, NGOs, and especially those intended to benefit, also aiding in the scaling up of impact through CSR (Jamali and Keshishian, 2009).

Particular components of CSR practice may need to be mandated to ensure that there is much clearer understanding, collaboration and engagement with the intended beneficiaries. Issues relating to power and participation will have to be addressed along-with a focus on generation of effective monitoring mechanisms to assess quality. Specific process set out for those who have the least voice to be heard would entail an opportunity for different voices to be heard and would also affect how feedback is generated and sought. Such feedback mechanisms would be essential for matching beneficiary requirements and for aiding in more benefit generation. The restrictive conceptualisation of the definition of CSR would also need to be addressed and broadened.

Point 4:

Magham and Pye (1991), while trying to better portray the aspect of skilled practice concealed within sensemaking, discuss sensemaking as a dual, cyclical and ongoing process of sensereading and sensewrighting (pg. 955). Sensereading involves understanding the “social order in one’s particular sphere of operation and using it to good effect” (Balogun et al. 2008, pg. 242) while wrighting is used ‘in the sense that a playwright “wrights” and a shipwright “wrights”’ (Mangham and Pye, 1991, pg. 27–8). Within the institutional context of mandated CSR, this research identifies a nuanced yet key component of this process and suggests that the different sets of affected actors engage in a process of “second-level sensemaking” through which they attempt to senseread the *sensemaking of others* also affected by the same

institutional context, which helps them wright and generate their strategic responses.

Alongside this, this research studies the effects of an external institutional pressure in the form of a legal mandate by studying underlying sensemaking processes of the affected stakeholders. Sandberg and Tsoukas (2015, pg. S20) in their wide ranging and critical review from within the sensemaking perspective mention that one of the major criticisms of the sensemaking perspective is that it is too micro. They suggest that larger contexts in which sensemaking actually takes place are often overlooked. Weick, Sutcliffe, and Obstfeld (2005) also mention a need for more focus on mechanisms that link the micro-macro levels of analysis (pg. 417) and Brown, Colville and Pye (2015) again discuss this point. This research therefore contributes to the discussion about how larger institutional contexts affect sensemaking processes. Weber and Glynn (2006) suggest that institutions play an active role in sensemaking by triggering, priming and editing sensemaking, and call for more research to examine these mechanisms. Through this research, it is found that these mechanisms occur in a continuous iterative cycle in real time and involve episodes of retrospective and prospective (eg. Maitlis and Tsoukas, 2015) sensemaking. A process-sensemaking view of CSR is thus generated within the changing institutional context of mandated CSR linking the macro and micro levels of analysis.

Second-level Sensemaking: As is evident, the institutional context has not just triggered sensemaking about the law and its requirements, but also about existing relationships among the different stakeholders themselves. Alongside, it is found that while stakeholders engage in assessing opportunities and constraints, it has triggered *second level* sensemaking regarding other-stakeholder's sensemaking of the context as well. Firms, for example, have sensed that they now have to spend money on CSR. NGOs on the other hand have sensed this new obligation for firms to spend money on CSR. Primed by this knowledge, NGOs have edited their earlier ways of working and in a quest for acquiring more corporate funds, have positioned themselves in order to

cater to corporate requirements and interests. Firms on the other hand have sensed NGO/beneficiary requirements for corporate funds and also the fact that they (NGOs) would be looking for those funds from them (since there is availability of greater CSR funds with a greater possibility of access to those funds as well). Although corporates still maintain more power in such relationships given their ownership of those funds, both these actors sense that either one of them may not be able to function effectively without the presence of the other. There is therefore a reshaping of relationships between these actors with a growing co-dependence observed between them. These instances also indicate the centrality of self-interests in the sensemaking of the involved actors. In another instance, triggered by the understanding that corporates now sense a need to hire more CSR experts to handle their CSR, actors like CSR managers sense their growing importance within firms and opportunities to further their career prospects. They therefore engage in sensemaking activities (for example by slowly manipulating corporate CSR related decision making) in-order to redefine their relationships within and outside the corporate boundary. This generates opportunities for more influence and also generates greater benefits for them.

How the Institutional Context influences Sensemaking Processes: The three mechanisms of triggering, priming and editing have indeed shaped sensemaking processes. Corporates fear future changes in the law and wish to be prepared for those changes. They sense a need to negotiate their relationships with other stakeholders, along-with a need to account for their own priorities and interests. Exhibiting a strategic frame, they therefore try to forecast ahead and make implementation changes according to what they think lies ahead, based on sensemaking about happenings in their surroundings and also their own priorities and interests. This, for example, is evident from the strategic individualisation attempt made by BuildCom before the law was implemented. In-order to subvert greater uncertainty and to be ready for any surprises, BuildCom, it was observed, had engaged in changes to their CSR practices even before the law was implemented. This was when they had received cues indicating that a law of this nature was going to be

enforced. The prospective sensemaking in anticipation of future regulatory changes appears to have helped them create a cushion for reducing greater disturbance when the law was finally enforced, however they had to again retrospectively edit their CSR strategy after the law was implemented. In another instance, NGOs have edited their ways of working in accordance with corporate expectations and requirements. It is evident that corporates (and the funding opportunities that they generate) have made NGOs think about credibility and formalisation related matters to fit into corporate (and thus institutional) expectations and requirements in-order for them to generate greater access to CSR funding and resources. Primed by understandings about current corporate expectations, NGOs have retrospectively edited their earlier ways. They have also engaged in prospective sensemaking and have developed better and more aligned processes for working with corporates.

While sensemaking is characterised as being inherently retrospective in nature (Weick, 1995), prospective sensemaking is a relatively underdeveloped concept in sensemaking literature and is defined by Gioia et al. (1994) as “the conscious and intentional consideration of the probable future impact of certain actions, and especially nonactions, on the meaning construction processes of themselves and others” (pg. 378). Interestingly, as is observed, sensemaking in the legally mandated CSR context appears to have progressed and evolved as a process across time with triggering, priming and editing processes working in an iterative cycle and involving episodes of retrospective as well as prospective sensemaking among the involved stakeholders. New information appears to trigger further sensemaking in the real-time context.

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